

		FOR OFF USE					

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2005
STATE OF ILLINOIS
DEPARTMENT OF HEALTHCARE AND FAMILY SERVICES
FINANCIAL AND STATISTICAL REPORT FOR
LONG-TERM CARE FACILITIES
(FISCAL YEAR 2005)

IMPORTANT NOTICE
 THIS AGENCY IS REQUESTING DISCLOSURE OF INFORMATION
 THAT IS NECESSARY TO ACCOMPLISH THE STATUTORY
 PURPOSE AS OUTLINED IN 210 ILCS 45/3-208. DISCLOSURE
 OF THIS INFORMATION IS MANDATORY. FAILURE TO PROVIDE
 ANY INFORMATION ON OR BEFORE THE DUE DATE WILL
 RESULT IN CESSATION OF PROGRAM PAYMENTS. THIS FORM
 HAS BEEN APPROVED BY THE FORMS MANAGEMENT CENTER.

<p>I. IDPH Facility ID Number: <u>0039768</u></p> <p>Facility Name: <u>Lexington of Lake Zurich</u></p> <p>Address: <u>900 South Rand Road</u> <u>Lake Zurich</u> <u>60047</u> Number City Zip Code</p> <p>County: <u>Lake</u></p> <p>Telephone Number: <u>(847) 726-1200</u> Fax # <u>(847) 726-1265</u></p> <p>IDPA ID Number: <u>363748801001</u></p> <p>Date of Initial License for Current Owners: <u>08/20/94</u></p> <p>Type of Ownership:</p> <table style="width: 100%;"> <tr> <td><input type="checkbox"/> VOLUNTARY, NON-PROFIT</td> <td><input checked="" type="checkbox"/> PROPRIETARY</td> <td><input type="checkbox"/> GOVERNMENTAL</td> </tr> <tr> <td><input type="checkbox"/> Charitable Corp.</td> <td><input type="checkbox"/> Individual</td> <td><input type="checkbox"/> State</td> </tr> <tr> <td><input type="checkbox"/> Trust</td> <td><input type="checkbox"/> Partnership</td> <td><input type="checkbox"/> County</td> </tr> <tr> <td>IRS Exemption Code _____</td> <td><input type="checkbox"/> Corporation</td> <td><input type="checkbox"/> Other _____</td> </tr> <tr> <td></td> <td><input checked="" type="checkbox"/> "Sub-S" Corp.</td> <td></td> </tr> <tr> <td></td> <td><input type="checkbox"/> Limited Liability Co.</td> <td></td> </tr> <tr> <td></td> <td><input type="checkbox"/> Trust</td> <td></td> </tr> <tr> <td></td> <td><input type="checkbox"/> Other _____</td> <td></td> </tr> </table> <p>In the event there are further questions about this report, please contact: Name: <u>Charles J. Fischer</u> Telephone Number: <u>(312) 634-4580</u> Please send copies of desk review and audit adjustments to address on this page</p>	<input type="checkbox"/> VOLUNTARY, NON-PROFIT	<input checked="" type="checkbox"/> PROPRIETARY	<input type="checkbox"/> GOVERNMENTAL	<input type="checkbox"/> Charitable Corp.	<input type="checkbox"/> Individual	<input type="checkbox"/> State	<input type="checkbox"/> Trust	<input type="checkbox"/> Partnership	<input type="checkbox"/> County	IRS Exemption Code _____	<input type="checkbox"/> Corporation	<input type="checkbox"/> Other _____		<input checked="" type="checkbox"/> "Sub-S" Corp.			<input type="checkbox"/> Limited Liability Co.			<input type="checkbox"/> Trust			<input type="checkbox"/> Other _____		<p>II. CERTIFICATION BY AUTHORIZED FACILITY OFFICER</p> <p>I have examined the contents of the accompanying report to the State of Illinois, for the period from <u>01/01/05</u> to <u>12/31/05</u> and certify to the best of my knowledge and belief that the said contents are true, accurate and complete statements in accordance with applicable instructions. Declaration of preparer (other than provider) is based on all information of which preparer has any knowledge.</p> <p>Intentional misrepresentation or falsification of any information in this cost report may be punishable by fine and/or imprisonment.</p> <table style="width: 100%;"> <tr> <td style="width: 30%;">Officer or Administrator of Provider</td> <td>(Signed) _____ (Type or Print Name) _____ (Title) _____</td> </tr> <tr> <td>Paid Preparer</td> <td>(Signed) <u>SEE ACCOUNTANTS' COMPILATION REPORT</u> (Date) _____ (Print Name and Title) _____ (Firm Name & Address) <u>Altschuler, Melvoin and Glasser LLI</u> <u>One South Wacker Drive, Suite 800, Chicago, IL 60606</u> (Telephone) <u>(312) 384-6000</u> Fax # <u>(312) 634-5518</u></td> </tr> </table> <p style="text-align: center;">MAIL TO: BUREAU OF HEALTH FINANCE ILLINOIS DEPT OF HEALTHCARE AND FAMILY SERVICES 201 S. Grand Avenue East Springfield, IL 62763-0001 Phone # (217) 782-1630</p>	Officer or Administrator of Provider	(Signed) _____ (Type or Print Name) _____ (Title) _____	Paid Preparer	(Signed) <u>SEE ACCOUNTANTS' COMPILATION REPORT</u> (Date) _____ (Print Name and Title) _____ (Firm Name & Address) <u>Altschuler, Melvoin and Glasser LLI</u> <u>One South Wacker Drive, Suite 800, Chicago, IL 60606</u> (Telephone) <u>(312) 384-6000</u> Fax # <u>(312) 634-5518</u>
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SEE ACCOUNTANTS' COMPILATION REPORT

STATE OF ILLINOIS

Page 2

Facility Name & ID Number Lexington of Lake Zurich# 0039768 Report Period Beginning: 01/01/05 Ending: 12/31/05

III. STATISTICAL DATA

A. Licensure/certification level(s) of care; enter number of beds/bed days,
(must agree with license). Date of change in licensed bedsN/A

	1	2	3	4	
	Beds at Beginning of Report Period	Licensure Level of Care	Beds at End of Report Period	Licensed Bed Days During Report Period	
1	<u>213</u>	Skilled (SNF)	<u>213</u>	<u>77,745</u>	1
2		Skilled Pediatric (SNF/PED)			2
3		Intermediate (ICF)			3
4		Intermediate/DD			4
5		Sheltered Care (SC)			5
6		ICF/DD 16 or Less			6
7	<u>213</u>	TOTALS	<u>213</u>	<u>77,745</u>	7

B. Census-For the entire report period.

	1	2	3	4	5	
	Level of Care	Patient Days by Level of Care and Primary Source of Payment				
		Medicaid Recipient	Private Pay	Other	Total	
8	SNF	<u>28,297</u>	<u>5,567</u>	<u>9,592</u>	<u>43,456</u>	8
9	SNF/PED					9
10	ICF	<u>13,253</u>	<u>4,637</u>	<u>332</u>	<u>18,222</u>	10
11	ICF/DD					11
12	SC					12
13	DD 16 OR LESS					13
14	TOTALS	<u>41,550</u>	<u>10,204</u>	<u>9,924</u>	<u>61,678</u>	14

C. Percent Occupancy. (Column 5, line 14 divided by total licensed
bed days on line 7, column 4.) 79.33%

D. How many bed-hold days during this year were paid by the Department?

None (Do not include bed-hold days in Section B.)E. List all services provided by your facility for non-patients.
(E.g., day care, "meals on wheels", outpatient therapy)None

F. Does the facility maintain a daily midnight census?

YesG. Do pages 3 & 4 include expenses for services or
investments not directly related to patient care?YES ☒NO ☐Non-allowable costs have been
eliminated in Schedule V, Column 7.

H. Does the BALANCE SHEET (page 17) reflect any non-care assets?

YES ☐NO ☒

I. On what date did you start providing long term care at this location

Date started 08/20/94

J. Was the facility purchased or leased after January 1, 1978?

YES ☐Date New constructionNO ☒

K. Was the facility certified for Medicare during the reporting year?

YES ☒NO ☐

If YES, enter number

of beds certified 213 and days of care provided 8,543Medicare Intermediary AdminaStar Federal

IV. ACCOUNTING BASIS

ACCRUAL ☒ MODIFIED
CASH* ☐ CASH* ☐Is your fiscal year identical to your tax year YES ☐ NO ☐Tax Year: 12/31/2005 Fiscal Year: 12/31/2005

* All facilities other than governmental must report on the accrual basis

SEE ACCOUNTANTS' COMPILATION REPORT

STATE OF ILLINOIS

Page 3

Facility Name & ID Number Lexington of Lake Zurich

0039768

Report Period Beginning: 01/01/05

Ending: 12/31/05

V. COST CENTER EXPENSES (throughout the report, please round to the nearest dollar)

	Operating Expenses	Costs Per General Ledger				Reclass- ification 5	Reclassified Total 6	Adjust- ments 7**	Adjusted Total 8	FOR OHF USE ONLY	
		Salary/Wage 1	Supplies 2	Other 3	Total 4					9	10
	A. General Services										
1	Dietary	322,209	34,094	10,846	367,149		367,149		367,149		1
2	Food Purchase		270,395		270,395		270,395	(13,307)	257,088		2
3	Housekeeping	295,677	28,452		324,129		324,129	298	324,427		3
4	Laundry	75,018	17,314		92,332		92,332	(6,215)	86,117		4
5	Heat and Other Utilities			220,622	220,622		220,622	4,727	225,349		5
6	Maintenance	35,580		110,437	146,017		146,017	48,160	194,177		6
7	Other (specify):* Allocated Benefits							4,858	4,858		7
8	TOTAL General Services	728,484	350,255	341,905	1,420,644		1,420,644	38,521	1,459,165		8
	B. Health Care and Programs										
9	Medical Director			46,876	46,876		46,876		46,876		9
10	Nursing and Medical Records	3,199,859	203,089	456,677	3,859,625		3,859,625	83,438	3,943,063		10
10a	Therapy			682,437	682,437		682,437		682,437		10a
11	Activities	201,058	31,219	4,578	236,855		236,855		236,855		11
12	Social Services	114,289		5,228	119,517		119,517		119,517		12
13	CNA Training										13
14	Program Transportation										14
15	Other (specify):* Allocated Benefits							9,280	9,280		15
16	TOTAL Health Care and Programs	3,515,206	234,308	1,195,796	4,945,310		4,945,310	92,718	5,038,028		16
	C. General Administration										
17	Administrative	98,737		935,752	1,034,489		1,034,489	(838,980)	195,509		17
18	Directors Fees										18
19	Professional Services			146,478	146,478		146,478	4,242	150,720		19
20	Dues, Fees, Subscriptions & Promotion			9,526	9,526		9,526	1,778	11,304		20
21	Clerical & General Office Expense	216,957	34,052	26,280	277,289		277,289	299,103	576,392		21
22	Employee Benefits & Payroll Taxes			641,942	641,942		641,942	12,818	654,760		22
23	Inservice Training & Education			1,357	1,357		1,357		1,357		23
24	Travel and Seminars			16,492	16,492		16,492	3,212	19,704		24
25	Other Admin. Staff Transportation			1,877	1,877		1,877	11,369	13,246		25
26	Insurance-Prop.Liab.Malpractice			268,783	268,783		268,783	3,974	272,757		26
27	Other (specify):* Allocated Benefits							42,706	42,706		27
28	TOTAL General Administration	315,694	34,052	2,048,487	2,398,233		2,398,233	(459,778)	1,938,455		28
29	TOTAL Operating Expense (sum of lines 8, 16 & 28)	4,559,384	618,615	3,586,188	8,764,187		8,764,187	(328,539)	8,435,648		29

*Attach a schedule if more than one type of cost is included on this line, or if the total exceeds \$1000.

SEE ACCOUNTANTS' COMPILATION REPORT

NOTE: Include a separate schedule detailing the reclassifications made in column 5. Be sure to include a detailed explanation of each reclassification.

STATE OF ILLINOIS

Page 4

Facility Name & ID Number Lexington of Lake Zurich

#0039768

Report Period Beginning:

01/01/05

Ending:

12/31/05

V. COST CENTER EXPENSES (continued)

	Capital Expense	Cost Per General Ledger				Reclass- ification 5	Reclassified Total 6	Adjust- ments 7**	Adjusted Total 8	FOR OHF USE ONLY		
		Salary/Wage 1	Supplies 2	Other 3	Total 4					9	10	
	D. Ownership											
30	Depreciation			48,719	48,719		48,719	193,498	242,217			30
31	Amortization of Pre-Op. & Org											31
32	Interest			29,941	29,941		29,941	352,509	382,450			32
33	Real Estate Taxes							99,452	99,452			33
34	Rent-Facility & Grounds			1,296,657	1,296,657		1,296,657	(1,293,207)	3,450			34
35	Rent-Equipment & Vehicle			4,736	4,736		4,736	2,405	7,141			35
36	Other (specify): ³											36
37	TOTAL Ownership			1,380,053	1,380,053		1,380,053	(645,343)	734,710			37
	Ancillary Expense											
	E. Special Cost Centers											
38	Medically Necessary Transportation											38
39	Ancillary Service Center:		277,041		277,041		277,041		277,041			39
40	Barber and Beauty Shops			27,677	27,677		27,677		27,677			40
41	Coffee and Gift Shop:			11,916	11,916		11,916		11,916			41
42	Provider Participation Fee			116,616	116,616		116,616		116,616			42
43	Other (specify): ³ Nonallowable Cost			199,708	199,708		199,708	(199,708)				43
44	TOTAL Special Cost Centers		277,041	355,917	632,958		632,958	(199,708)	433,250			44
45	GRAND TOTAL COST (sum of lines 29, 37 & 44)	4,559,384	895,656	5,322,158	10,777,198		10,777,198	(1,173,590)	9,603,608			45

*Attach a schedule if more than one type of cost is included on this line, or if the total exceeds \$1000.

**See Schedule of adjustments attached at end of cost report.

SEE ACCOUNTANTS' COMPILATION REPORT

	NON-ALLOWABLE EXPENSES	1 Amount	2 Refer- ence	3 OHF USE ONLY	
1	Day Care	\$		\$	1
2	Other Care for Outpatients				2
3	Governmental Sponsored Special Program				3
4	Non-Patient Meals	(489)	2		4
5	Telephone, TV & Radio in Resident Room	(4,543)	43		5
6	Rented Facility Space				6
7	Sale of Supplies to Non-Patient				7
8	Laundry for Non-Patients	(6,215)	4		8
9	Non-Straightline Depreciation				9
10	Interest and Other Investment Income	(17)	32		10
11	Discounts, Allowances, Rebates & Refund				11
12	Non-Working Officer's or Owner's Salary				12
13	Sales Tax	(1,114)	43		13
14	Non-Care Related Interest	(13,548)	32		14
15	Non-Care Related Owner's Transaction				15
16	Personal Expenses (Including Transportation				16
17	Non-Care Related Fees				17
18	Fines and Penalties	(145)	43		18
19	Entertainment				19
20	Contributions				20
21	Owner or Key-Man Insurance				21
22	Special Legal Fees & Legal Retainer				22
23	Malpractice Insurance for Individual				23
24	Bad Debt	(150,824)	43		24
25	Fund Raising, Advertising and Promotion	(17,204)	43		25
26	Income Taxes and Illinois Personal Property Replacement Tax				26
27	CNA Training for Non-Employee				27
28	Yellow Page Advertising				28
29	Other-Attach Schedule See attached Schedule A	(41,775)			29
30	SUBTOTAL (A): (Sum of lines 1-29)	\$ (235,874)		\$	30

OHF USE ONLY							
48		49		50		51	52

B. If there are expenses experienced by the facility which do not appear in the general ledger, they should be entered below. (See instructions.)

		1 Amount	2 Reference	
31	Non-Paid Workers-Attach Schedule	\$		31
32	Donated Goods-Attach Schedule			32
33	Amortization of Organization & Pre-Operating Expense			33
34	Adjustments for Related Organization Costs (Schedule VII)	(937,716)		34
35	Other- Attach Schedule			35
36	SUBTOTAL (B): (sum of lines 31-35)	\$ (937,716)		36
37	TOTAL ADJUSTMENTS (A) and (B)	\$ (1,173,590)		37

*These costs are only allowable if they are necessary to meet minimum licensing standards. Attach a schedule detailing the items included on these lines.

C. Are the following expenses included in Sections A to D of pages 3 and 4? If so, they should be reclassified into Section E. Please reference the line on which they appear before reclassification. (See instructions.)

		1 Yes	2 No	3 Amount	4 Reference	
38	Medically Necessary Transport		x	\$		38
39						39
40	Gift and Coffee Shop		x			40
41	Barber and Beauty Shops		x			41
42	Laboratory and Radiology		x			42
43	Prescription Drugs		x			43
44	Exceptional Care Program		x			44
45	Other-Attach Schedule		x			45
46	Other-Attach Schedule		x			46
47	TOTAL (C): (sum of lines 38-46)			\$		47

SEE ACCOUNTANTS' COMPILATION REPORT

Lexington of Lake Zurich

Provider #: 0039768

01/01/05 to 12/31/05

Schedule A

VI. Adjustment Detail

Line 29 - Other

<u>Non-allowable expenses</u>	<u>Amount</u>	<u>Reference</u>
Disallow nonallowable radiology	(19,353)	43
Disallow nonallowable laboratory	(6,172)	43
Disallow nonallowable trust fees	(75)	43
Cash over/under	(353)	43
Disallow collection fees	(12,910)	19
Disallow out of period legal fees	(2,912)	19
	<u>(41,775)</u>	

SEE ACCOUNTANTS' COMPILATION REPORT

Lexington of Lake Zurich

ID# 0039768

Report Period Beginning: 01/01/05

Ending: 12/31/05

NON-ALLOWABLE EXPENSES		Amount	Sch. V Line Reference
1		\$	1
2			2
3			3
4			4
5			5
6			6
7			7
8			8
9			9
10			10
11			11
12			12
13			13
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34			34
35			35
36			36
37			37
38			38
39			39
40			40
41			41
42			42
43			43
44			44
45			45
46			46
47			47
48			48
49	Total	0	49

STATE OF ILLINOIS

Summary A

Facility Name & ID Number Lexington of Lake Zurich

0039768

Report Period Beginning:

01/01/05

Ending:

12/31/05

SUMMARY OF PAGES 5, 5A, 6, 6A, 6B, 6C, 6D, 6E, 6F, 6G, 6H AND 6I

	Operating Expenses	PAGES 5 & 5A	PAGE 6	PAGE 6A	PAGE 6B	PAGE 6C	PAGE 6D	PAGE 6E	PAGE 6F	PAGE 6G	PAGE 6H	PAGE 6I	SUMMARY TOTALS (to Sch V, col.7)	
	A. General Services													
1	Dietary	0	0	0	0	0	0	0	0	0	0	0	0	1
2	Food Purchase	(489)	0	0	0	0	0	0	0	0	0	0	(489)	2
3	Housekeeping	0	0	298	0	0	0	0	0	0	0	0	298	3
4	Laundry	(6,215)	0	0	0	0	0	0	0	0	0	0	(6,215)	4
5	Heat and Other Utilities	0	0	4,727	0	0	0	0	0	0	0	0	4,727	5
6	Maintenance	0	0	48,160	0	0	0	0	0	0	0	0	48,160	6
7	Other (specify):*	0	0	4,858	0	0	0	0	0	0	0	0	4,858	7
8	TOTAL General Services	(6,704)	0	58,043	0	0	0	0	0	0	0	0	51,339	8
	B. Health Care and Programs													
9	Medical Director	0	0	0	0	0	0	0	0	0	0	0	0	9
10	Nursing and Medical Records	0	0	83,438	0	0	0	0	0	0	0	0	83,438	10
10a	Therapy	0	0	0	0	0	0	0	0	0	0	0	0	10a
11	Activities	0	0	0	0	0	0	0	0	0	0	0	0	11
12	Social Services	0	0	0	0	0	0	0	0	0	0	0	0	12
13	CNA Training	0	0	0	0	0	0	0	0	0	0	0	0	13
14	Program Transportation	0	0	0	0	0	0	0	0	0	0	0	0	14
15	Other (specify):*	0	0	9,280	0	0	0	0	0	0	0	0	9,280	15
16	TOTAL Health Care and Programs	0	0	92,718	0	0	0	0	0	0	0	0	92,718	16
	C. General Administration													
17	Administrative	0	0	96,772	(935,752)	0	0	0	0	0	0	0	(838,980)	17
18	Directors Fees	0	0	0	0	0	0	0	0	0	0	0	0	18
19	Professional Services	0	291	19,773	0	0	0	0	0	0	0	0	20,064	19
20	Fees, Subscriptions & Promotions	0	0	1,778	0	0	0	0	0	0	0	0	1,778	20
21	Clerical & General Office Expenses	0	0	292,452	6,651	0	0	0	0	0	0	0	299,103	21
22	Employee Benefits & Payroll Taxes	0	0	0	0	0	0	0	0	0	0	0	0	22
23	Inservice Training & Education	0	0	0	0	0	0	0	0	0	0	0	0	23
24	Travel and Seminar	0	0	0	3,212	0	0	0	0	0	0	0	3,212	24
25	Other Admin. Staff Transportation	0	0	0	11,369	0	0	0	0	0	0	0	11,369	25
26	Insurance-Prop.Liab.Malpractice	0	0	0	3,974	0	0	0	0	0	0	0	3,974	26
27	Other (specify):*	0	0	0	42,706	0	0	0	0	0	0	0	42,706	27
28	TOTAL General Administration	0	291	410,775	(867,840)	0	0	0	0	0	0	0	(456,774)	28
29	TOTAL Operating Expense (sum of lines 8,16 & 28)	(6,704)	291	561,536	(867,840)	0	0	0	0	0	0	0	(312,717)	29

Facility Name & ID Number Lexington of Lake Zurich# 0039768Report Period Beginning: 01/01/05 Ending: 12/31/05

VII. RELATED PARTIES

A. Enter below the names of ALL owners and related organizations (parties) as defined in the instructions. Attach an additional schedule if necessary.

1 OWNERS		2 RELATED NURSING HOMES		3 OTHER RELATED BUSINESS ENTITIES		
Name	Ownership %	Name	City	Name	City	Type of Business
James Samatas Discretionary Trust	33.33%			Lexington Health Care Systems of		
John Samatas Discretionary Trust	33.33%	See attached Schedule B		Lake Zurich Ltd Pts	Lake Zurich	Real estate ptsp.
Cynthia Thiem Discretionary Trust	33.34%			Royal Mgmt. Corp.	Lombard	Mgmt. Co.
				Lexington Financial		
				Services II, L.L.C.	Lombard	Finance Co.

B. Are any costs included in this report which are a result of transactions with related organizations? This includes rent, management fees, purchase of supplies, and so forth. ☒ YES ☐ NO

If yes, costs incurred as a result of transactions with related organizations must be fully itemized in accordance with the instructions for determining costs as specified for this form.

1 Schedule V		2 Line	3 Cost Per General Ledger Item	4 Amount	5 Cost to Related Organization Name of Related Organization	6 Percent of Ownership	7 Operating Cost of Related Organization	8 Difference: Adjustments for Related Organization Costs (7 minus 4)	
1	V	19	Professional fees	\$	Lexington Health Care Systems of Lake Zurich Ltd Pts	**	\$ 291	\$ 291	1
2	V	30	Depreciation		Lexington Health Care Systems of Lake Zurich Ltd Pts	**	162,357	162,357	2
3	V	32	Interest expense		Lexington Health Care Systems of Lake Zurich Ltd Pts	**	353,466	353,466	3
4	V	32	Amortization of mortgage cos		Lexington Health Care Systems of Lake Zurich Ltd Pts	**	3,577	3,577	4
5	V	33	Property taxes		Lexington Health Care Systems of Lake Zurich Ltd Pts	**	96,657	96,657	5
6	V	34	Rental expense	1,296,657	Lexington Health Care Systems of Lake Zurich Ltd Pts	**		(1,296,657)	6
7	V	43	Trust fees		Lexington Health Care Systems of Lake Zurich Ltd Pts	**	75	75	7
8	V								8
9	V								9
10	V								10
11	V		** The owners of Lexington Health Care Center of Lake Zurich, Inc. own 100% of Lexington Health Care System						11
12	V		of Lake Zurich Limited Partnership						12
13	V								13
14	Total			\$ 1,296,657			\$ 616,423	\$ * (680,234)	14

* Total must agree with the amount recorded on line 34 of Schedule VI

SEE ACCOUNTANTS' COMPILATION REPORT

Lexington of Lake Zurich

Provider #0039768

1/1/05 - 12/31/05

Schedule B

VII. Related Parties

Related Nursing Homes

Name of facility

City

Lexington Health Care Center of Lombard, Inc.

Lombard

Lexington Health Care Center of Bloomingdale, Inc.

Bloomingtondale

Lexington Health Care Center of Chicago Ridge, Inc.

Chicago Ridge

Lexington Health Care Center of Elmhurst, Inc.

Elmhurst

Lexington Health Care Center of LaGrange, Inc.

LaGrange

Lexington Health Care Center of Schaumburg, Inc.

Schaumburg

Lexington Health Care Center of Streamwood, Inc.

Streamwood

Lexington Health Care Center of Wheeling, Inc.

Wheeling

Lexington Health Care Center of Orland Park, Inc.

Orland Park

See Accountants' Compilation Report

Facility Name & ID Number Lexington of Lake Zurich

0039768

Report Period Beginning: 01/01/05

Ending: 12/31/05

VII. RELATED PARTIES (continued)

B. Are any costs included in this report which are a result of transactions with related organizations? This includes rent, management fees, purchase of supplies, and so forth. ☒ YES ☐ NO

If yes, costs incurred as a result of transactions with related organizations must be fully itemized in accordance with the instructions for determining costs as specified for this form.

1	2	3 Cost Per General Ledger	4	5 Cost to Related Organization	6	7	8 Difference:
Schedule V	Line	Item	Amount	Name of Related Organization	Percent of Ownership	Operating Cost of Related Organization	Adjustments for Related Organization Costs (7 minus 4)
15	V	3 Housekeeping supplies	\$	Royal Management Corp.	**	\$ 298	\$ 298 15
16	V	5 Utilities - gas & electric		Royal Management Corp.	**	4,283	4,283 16
17	V	5 Utilities - water & sewer		Royal Management Corp.	**	107	107 17
18	V	5 Utilities - maintenance office		Royal Management Corp.	**	337	337 18
19	V	6 Management allocation - salarie		Royal Management Corp.	**	42,788	42,788 19
20	V	6 Repairs & maintenanc		Royal Management Corp.	**	5,255	5,255 20
21	V	6 Scavenger & exterminat		Royal Management Corp.	**	104	104 21
22	V	6 Security service		Royal Management Corp.	**	13	13 22
23	V	7 Management allocation - employee benefit		Royal Management Corp.	**	4,858	4,858 23
24	V	10 Medical consultant		Royal Management Corp.	**	1,705	1,705 24
25	V	10 Management allocation - salarie		Royal Management Corp.	**	81,733	81,733 25
26	V	15 Management allocation - employee benefit		Royal Management Corp.	**	9,280	9,280 26
27	V	17 Management allocation - salarie		Royal Management Corp.	**	96,772	96,772 27
28	V	19 Computer consultant & supplies		Royal Management Corp.	**	14,360	14,360 28
29	V	19 Professional fees		Royal Management Corp.	**	5,413	5,413 29
30	V	20 Dues & subscriptions		Royal Management Corp.	**	657	657 30
31	V	20 Licenses, permits & inspections		Royal Management Corp.	**	4	4 31
32	V	20 Advertising - help wanted		Royal Management Corp.	**	1,117	1,117 32
33	V	21 Management allocation - salarie		Royal Management Corp.	**	279,350	279,350 33
34	V	21 Bank charges		Royal Management Corp.	**	409	409 34
35	V	21 Office supplies & printing		Royal Management Corp.	**	9,242	9,242 35
36	V	21 Postage		Royal Management Corp.	**	3,451	3,451 36
37	V						
38	V	** Certain owners of Lexington Health Care Center of Lake Zurich, Inc. own 100% of Royal Management Corp.					
39	Total		\$			\$ 561,536	\$ * 561,536 39

* Total must agree with the amount recorded on line 34 of Schedule VI

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number Lexington of Lake Zurich

0039768

Report Period Beginning: 01/01/05

Ending: 12/31/05

VII. RELATED PARTIES (continued)

B. Are any costs included in this report which are a result of transactions with related organizations? This includes rent, management fees, purchase of supplies, and so forth. ☒ YES ☐ NO

If yes, costs incurred as a result of transactions with related organizations must be fully itemized in accordance with the instructions for determining costs as specified for this form.

1	2	3 Cost Per General Ledger	4	5 Cost to Related Organization	6	7	8 Difference:
Schedule V	Line	Item	Amount	Name of Related Organization	Percent of Ownership	Operating Cost of Related Organization	Adjustments for Related Organization Costs (7 minus 4)
15	V	21 Telephone	\$	Royal Management Corp.	**	\$ 6,651	\$ 6,651
16	V	24 Travel & seminar		Royal Management Corp.	**	3,212	3,212
17	V	25 Auto expense		Royal Management Corp.	**	11,369	11,369
18	V	26 Insurance genera		Royal Management Corp.	**	3,974	3,974
19	V	27 Management allocation - employee benefit		Royal Management Corp.	**	42,706	42,706
20	V	30 Depreciation - vehicles		Royal Management Corp.	**	4,141	4,141
21	V	30 Depreciation - leasehold improv		Royal Management Corp.	**	6,874	6,874
22	V	30 Depreciation - equipment		Royal Management Corp.	**	20,126	20,126
23	V	32 Interest		Royal Management Corp.	**	9,013	9,013
24	V	32 Amortization of mortgage cost		Royal Management Corp.	**	18	18
25	V	33 Property taxes		Royal Management Corp.	**	2,795	2,795
26	V	34 Rent expense		Royal Management Corp.	**	3,450	3,450
27	V	35 Equipment rental		Royal Management Corp.	**	2,405	2,405
28	V	17 Management fees	935,752	Royal Management Corp.	**		(935,752)
29	V						
30	V						
31	V						
32	V						
33	V						
34	V						
35	V						
36	V						
37	V						
38	V	** Certain owners of Lexington Health Care Center of Lake Zurich, Inc. own 100% of Royal Management Corp.					
39	Total		\$ 935,752			\$ 116,734	\$ * (819,018)

* Total must agree with the amount recorded on line 34 of Schedule V1

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number Lexington of Lake Zurich # 0039768 Report Period Beginning: 01/01/05 Ending: 12/31/05

VII. RELATED PARTIES (continued)

C. Statement of Compensation and Other Payments to Owners, Relatives and Members of Board of Directors.

NOTE: ALL owners (even those with less than 5% ownership) and their relatives who receive any type of compensation from this home must be listed on this schedule.

	1 Name	2 Title	3 Function	4 Ownership Interest	5 Compensation Received From Other Nursing Homes*	6 Average Hours Per Work Week Devoted to this Facility and % of Total Work Week		7 Compensation Included in Costs for this Reporting Period**		8 Schedule V. Line & Column Reference	
						Hours	Percent	Description	Amount		
1	James Samatas	Owner/officer	Administrative	33.33%	See Schedule C	4.2	10%	Salary	\$ 33,051	L17, C7	1
2	John Samatas	Owner/officer	Admin/Plant Ops	33.33%	See Schedule C	4.2	10%	Salary	23,608	L17, C7	2
3	Cynthia Thiem	Owner/officer	Administrative	33.34%	See Schedule C	4.2	10%	Salary	23,608	L17, C7	3
4	Jason Samatas	VP of Operations	Administrative	0.00%	See Schedule C	4.2	10%	Salary	16,505	L17, C7	4
5	Daniel Thiem	Staff Accountant	Accounting	0.00%	See Schedule C	0.8	2%	Salary	1,550	L21, C7	5
6	Jeremy Samatas	Corporate Director	Quality Assurance	0.00%	See Schedule C	4.2	10%	Salary	8,091	L10, C7	6
7											7
8						All individuals work in excess of 40 hours per week.					8
9											9
10											10
11											11
12											12
13								TOTAL	\$ 106,413		13

* If the owner(s) of this facility or any other related parties listed above have received compensation from other nursing homes, attach a schedule detailing the name(s) of the home(s) as well as the amount paid. THIS AMOUNT MUST AGREE TO THE AMOUNTS CLAIMED ON THE THE OTHER NURSING HOMES' COST REPORTS.

** This must include all forms of compensation paid by related entities and allocated to Schedule V of this report (i.e., management fees).
FAILURE TO PROPERLY COMPLETE THIS SCHEDULE INDICATING ALL FORMS OF COMPENSATION RECEIVED FROM THIS HOME,
ALL OTHER NURSING HOMES AND MANAGEMENT COMPANIES MAY RESULT IN THE DISALLOWANCE OF SUCH COMPENSATION.

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number Lexington of Lake Zurich# 0039768

Report Period Beginning:

01/01/05Ending: 12/31/05

VIII. ALLOCATION OF INDIRECT COSTS

A. Are there any costs included in this report which were derived from allocations of central office or parent organization costs? (See instructions.) YES ☒ NO ☐

Name of Related Organization Royal Management Corp.
 Street Address 665 W. North Avenue, Suite 500
 City / State / Zip Code Lombard, IL 60148
 Phone Number (630) 458-4700
 Fax Number (630) 458-4796

B. Show the allocation of costs below. If necessary, please attach worksheets

1 Schedule V Line Reference	2 Item	3 Unit of Allocation (i.e., Days, Direct Cost, Square Feet)	4 Total Units	5 Number of Subunits Being Allocated Among	6 Total Indirect Cost Being Allocated	7 Amount of Salary Cost Contained in Column 6	8 Facility Units	9 Allocation (col.8/col.4)x col.6	
1	3	Housekeeping supplies	Bed Days	743,165	10	\$ 2,852	\$ 77,745	\$ 298	1
2	5	Utilities - gas & electric	Bed Days	743,165	10	40,939	77,745	4,283	2
3	5	Utilities - water & sewer	Bed Days	743,165	10	1,020	77,745	107	3
4	5	Utilities - maintenance office	Bed Days	743,165	10	3,218	77,745	337	4
5	6	Management allocation - salaries	Bed Days	743,165	10	409,014	409,014	42,788	5
6	6	Repairs & maintenance	Bed Days	743,165	10	50,234	77,745	5,255	6
7	6	Scavenger & exterminating	Bed Days	743,165	10	998	77,745	104	7
8	6	Security service	Bed Days	743,165	10	129	77,745	13	8
9	7	Management allocation - employees	Bed Days	743,165	10	46,441	77,745	4,858	9
10	10	Medical consultant	Bed Days	743,165	10	16,297	77,745	1,705	10
11	10	Management allocation - salaries	Bed Days	743,165	10	781,289	77,745	81,733	11
12	15	Management allocation - employees	Bed Days	743,165	10	88,711	77,745	9,280	12
13	17	Management allocation - salaries	Bed Days	743,165	10	925,033	925,033	96,772	13
14	19	Computer consultant & supplies	Bed Days	743,165	10	137,269	77,745	14,360	14
15	19	Professional fees	Bed Days	743,165	10	51,742	77,745	5,413	15
16	20	Dues & subscriptions	Bed Days	743,165	10	6,285	77,745	657	16
17	20	Licenses, permits & inspections	Bed Days	743,165	10	39	77,745	4	17
18	20	Advertising - help wanted	Bed Days	743,165	10	10,677	77,745	1,117	18
19	21	Management allocation - salaries	Bed Days	743,165	10	2,670,308	2,670,308	279,350	19
20	21	Bank charges	Bed Days	743,165	10	3,905	77,745	409	20
21	21	Office supplies & printing	Bed Days	743,165	10	88,340	77,745	9,242	21
22	21	Postage	Bed Days	743,165	10	32,985	77,745	3,451	22
23	21	Telephone	Bed Days	743,165	10	63,577	77,745	6,651	23
24	24	Travel and seminars	Bed Days	743,165	10	30,702	77,745	3,212	24
25	TOTALS					\$ 5,462,004	\$ 4,785,644	\$ 571,399	25

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number Lexington of Lake Zurich# 0039768Report Period Beginning: 01/01/05Ending: 12/31/05

VIII. ALLOCATION OF INDIRECT COSTS

A. Are there any costs included in this report which were derived from allocations of central office or parent organization costs? (See instructions.) YES ☒ NO ☐

Name of Related Organization Royal Management Corp.
 Street Address 665 W. North Avenue, Suite 500
 City / State / Zip Code Lombard, IL 60148
 Phone Number (630) 458-4700
 Fax Number (630) 458-4796

B. Show the allocation of costs below. If necessary, please attach worksheets

1 Schedule V Line Reference	2 Item	3 Unit of Allocation (i.e., Days, Direct Cost, Square Feet)	4 Total Units	5 Number of Subunits Being Allocated Among	6 Total Indirect Cost Being Allocated	7 Amount of Salary Cost Contained in Column 6	8 Facility Units	9 Allocation (col.8/col.4)x col.6	
1	25	Auto expense	Bed Days	743,165	10	\$ 108,672	\$ 77,745	\$ 11,369	1
2	26	Insurance genera	Bed Days	743,165	10	37,986	77,745	3,974	2
3	27	Management allocation - employe	Bed Days	743,165	10	408,231	77,745	42,706	3
4	30	Depreciation - vehicles	Bed Days	743,165	10	39,587	77,745	4,141	4
5	30	Depreciation - leasehold improv	Bed Days	743,165	10	65,712	77,745	6,874	5
6	30	Depreciation - equipment	Bed Days	743,165	10	192,380	77,745	20,126	6
7	32	Interest	Bed Days	743,165	10	86,153	77,745	9,013	7
8	32	Amortization of mortgage cost	Bed Days	743,165	10	174	77,745	18	8
9	33	Property taxes	Bed Days	743,165	10	26,714	77,745	2,795	9
10	34	Rent expense	Bed Days	743,165	10	32,978	77,745	3,450	10
11	35	Equipment rental	Bed Days	743,165	10	22,992	77,745	2,405	11
12									12
13									13
14									14
15									15
16									16
17									17
18									18
19									19
20									20
21									21
22									22
23									23
24									24
25	TOTALS				\$ 1,021,579	\$		\$ 106,871	25

SEE ACCOUNTANTS' COMPILATION REPORT

IX. INTEREST EXPENSE AND REAL ESTATE TAX EXPENSE

A. Interest: (Complete details must be provided for each loan - attach a separate schedule if necessary.)

	1	2		3	4	5	6		7	8	9	10	
	Name of Lender	Related**		Purpose of Loan	Monthly Payment Required	Date of Note	Amount of Note		Maturity Date	Interest Rate (4 Digits)	Reporting Period Interest Expense		
		YES	NO				Original	Balance					
	A. Directly Facility Related Long-Term												
1	Lexington Financial						\$					\$	1
2	Services II, L.L.C.	X		Mortgage	\$49,256.00	12/29/98	6,478,000	5,126,927	12/29/08	0.0675	353,466		2
3													3
4													4
5													5
	Working Capital												
6	Shareholders	X		Working Capital	None	Varies	270,033	2,362,782	Demand	0.0300	13,548		6
7	LaSalle Bank, N.A.		X	Line of Credit	Varies	12/01/02	750,000		5/31/06	Prime	16,393		7
8													8
9	TOTAL Facility Related				\$49,256.00		\$ 7,498,033	\$ 7,489,709			\$ 383,407		9
	B. Non-Facility Related*												
10								Amortization of loan costs			3,577		10
11								Interest income offset			(17)		11
12								Allocated from management company			9,031		12
13								Nonallowable shareholder interest			(13,548)		13
14	TOTAL Non-Facility Related						\$				(957)		14
15	TOTALS (line 9+line14)						\$ 7,498,033	\$ 7,489,709			\$ 382,450		15

16) Please indicate the total amount of mortgage insurance expense and the location of this expense on Sch. V. \$ N/A Line # N/A

* Any interest expense reported in this section should be adjusted out on page 5, line 14 and, consequently, page 4, col. 7
(See instructions.) SEE ACCOUNTANTS' COMPILATION REPORT

** If there is ANY overlap in ownership between the facility and the lender, this must be indicated in column 2.
(See instructions.)

Facility Name & ID Number **Lexington of Lake Zurich**# **0039768** Report Period Beginning: **01/01/05** Ending: **12/31/05****IX. INTEREST EXPENSE AND REAL ESTATE TAX EXPENSE (continued)****B. Real Estate Taxes**

1. Real Estate Tax accrual used on 2004 report.		Important , please see the next worksheet, "RE_Tax". The real estate tax statement and t must accompany the cost report	\$	135,000	1
2. Real Estate Taxes paid during the year: (Indicate the tax year to which this payment applies. If payment covers more than one year, detail below.)		Allocated from management company	\$	2,795	
		2004	\$	113,096	2
3. Under or (over) accrual (line 2 minus line 1).			\$	(19,109)	3
4. Real Estate Tax accrual used for 2005 report. (Detail and explain your calculation of this accrual on the lines below.)			\$	116,400	4
5. Direct costs of an appeal of tax assessments which has NOT been included in professional fees or other general operating costs on Schedule V, sections A, B or C. (Describe appeal cost below. Attach copies of invoices to support the cost and a copy of the appeal filed with the county.)			\$	2,161	5
6. Subtract a refund of real estate taxes. You must offset the full amount of any direct appeal costs classified as a real estate tax cost plus one-half of any remaining refund.			\$		
TOTAL REFUND \$		For	Tax Year.	(Attach a copy of the real estate tax appeal board's decision.)	6
7. Real Estate Tax expense reported on Schedule V, line 33. This should be a combination of lines 3 thru			\$	99,452	7

Real Estate Tax History:			
Real Estate Tax Bill for Calendar Year:	2000	120,166	8
	2001	141,884	9
	2002	136,724	10
	2003	132,805	11
	2004	113,096	12

Estimated 05 taxes	113,096		
Estimated tax with 3% inc.	116,489		
Use:	116,400		

FOR OHF USE ONLY	
13	FROM R. E. TAX STATEMENT FOR 2004 \$ 13
14	PLUS APPEAL COST FROM LINE 5 \$ 14
15	LESS REFUND FROM LINE 6 \$ 15
16	AMOUNT TO USE FOR RATE CALCULATION\$ 16

NOTES:

1. Please indicate a negative number by use of brackets(). Deduct any overaccrual of taxes from prior year.
2. If facility is a non-profit which pays real estate taxes, you must attach a denial of an application for real estate tax exemption unless the building is rented from a for-profit entity.
This denial must be no more than four years old at the time the cost report is filed

SEE ACCOUNTANTS' COMPILATION REPORT

IMPORTANT NOTICE

TO: Long Term Care Facilities with Real Estate Tax Rates **RE:** 2004 REAL ESTATE TAX COST DOCUMENTATION

In order to set the real estate tax portion of the capital rate, it is necessary that we obtain additional information regarding your calendar 2004 real estate tax costs, as well as copies of your original real estate tax bills for calendar 2004.

Please complete the Real Estate Tax Statement below and forward with a copy of your 2004 real estate tax bill to the Department of Public Aid, Bureau of Health Finance, 201 South Grand Avenue East, Springfield, Illinois 62763.

Please send these items in with your completed 2005 cost report. The cost report will not be considered complete and timely filed until this statement and the corresponding real estate tax bills are filed. If you have any questions, please call the Bureau of Health Finance at (217) 782-1630.

2004 LONG TERM CARE REAL ESTATE TAX STATEMENT

FACILITY NAME Lexington of Lake Zurich COUNTY Lake

FACILITY IDPH LICENSE NUMBER 0039768

CONTACT PERSON REGARDING THIS REPORT Susan Rojek

TELEPHONE (630) 458-4700 FAX #: (630) 458-4795

A. Summary of Real Estate Tax Cost

Enter the tax index number and real estate tax assessed for 2004 on the lines provided below. Enter only the portion of the cost that applies to the operation of the nursing home in Column D. Real estate tax applicable to any portion of the nursing home property which is vacant, rented to other organizations, or used for purposes other than long term care must not be entered in Column D. Do not include cost for any period other than calendar year 2004.

	(A)	(B)	(C)	(D)
	<u>Tax Index Number</u>	<u>Property Description</u>	<u>Total Tax</u>	<u>Tax Applicable to Nursing Home</u>
1.	<u>14-28-100-020</u>	<u>Nursing Facility</u>	\$ <u>106,111.05</u>	\$ <u>106,111.05</u>
2.	<u>14-29-200-033</u>	<u>Nursing Facility</u>	\$ <u>6,985.11</u>	\$ <u>6,985.11</u>
3.	<u>Royal Management Corp. (Samvest of Lombard II)</u>		\$	\$
4.	<u>05-01-202-019</u>		\$ <u>77,680.00</u>	\$ <u>2,795.00</u>
5.			\$	\$
6.			\$	\$
7.			\$	\$
8.			\$	\$
9.			\$	\$
10.			\$	\$
		TOTALS	\$ <u>190,776.16</u>	\$ <u>115,891.16</u>

B. Real Estate Tax Cost Allocations

Does any portion of the tax bill apply to more than one nursing home, vacant property, or property which is not directly used for nursing home services? YES X NO

If YES, attach an explanation & a schedule which shows the calculation of the cost allocated to the nursing home.
(Generally the real estate tax cost must be allocated to the nursing home based upon sq. ft. of space used.)

C. Tax Bills

Attach a copy of the original 2004 tax bills which were listed in Section A to this statement. Be sure to use the 2004 tax bill which is normally paid during 2005.

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number Lexington of Lake Zurich

0039768 Report Period Beginning:

01/01/05 Ending:

12/31/05

X. BUILDING AND GENERAL INFORMATION:

A. Square Feet: 78,901 B. General Construction Type: Exterior Brick Frame Steel Number of Stories 3C. Does the Operating Entity? ☐ (a) Own the Facility ☒ (b) Rent from a Related Organization ☐ (c) Rent from Completely Unrelated Organization.

(Facilities checking (a) or (b) must complete Schedule XI. Those checking (c) may complete Schedule XI or Schedule XII-A. See instructions)

D. Does the Operating Entity? ☒ (a) Own the Equipment ☒ (b) Rent equipment from a Related Organization ☒ (c) Rent equipment from Completely Unrelated Organization

(Facilities checking (a) or (b) must complete Schedule XI-C. Those checking (c) may complete Schedule XI-C or Schedule XII-B. See instructions)

E. List all other business entities owned by this operating entity or related to the operating entity that are located on or adjacent to this nursing home's ground (such as, but not limited to, apartments, assisted living facilities, day training facilities, day care, independent living facilities, CNA training facilities, etc.) List entity name, type of business, square footage, and number of beds/units available (where applicable)

NoneF. Does this cost report reflect any organization or pre-operating costs which are being amortized? ☐ YES ☒ NO
If so, please complete the following:1. Total Amount Incurred: N/A 2. Number of Years Over Which it is Being Amortized: N/A
3. Current Period Amortization: N/A 4. Dates Incurred: N/A

Nature of Costs:

(Attach a complete schedule detailing the total amount of organization and pre-operating costs)

XI. OWNERSHIP COSTS:

A. Land.

	1 Use	2 Square Feet	3 Year Acquired	4 Cost	
1	<u>Resident Care</u>	<u>250,344</u>	<u>1990</u>	<u>\$ 495,000</u>	<u>1</u>
2	<u>Allocated from management company</u>			<u>16,025</u>	<u>2</u>
3	TOTALS			\$ 511,025	3

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number Lexington of Lake Zurich

0039768

Report Period Beginning:

01/01/05

Ending:

12/31/05

XI. OWNERSHIP COSTS (continued)**B. Building Depreciation-Including Fixed Equipment. (See instructions.) Round all numbers to nearest dollar**

1	2	3	4	5	6	7	8	9	
Beds*	FOR OHF USE ONLY	Year Acquired	Year Constructed	Cost	Current Book Depreciation	Life in Years	Straight Line Depreciation	Adjustments	Accumulated Depreciation
4	203	1994	1994	\$ 6,418,908		40	\$ 160,473	\$ 160,473	\$ 1,818,691
5	10	2003	2003						
6									
7									
8									
Improvement Type**									
9	Land Improvements	1994	1994	10,701		10			10,701
10	Land Improvements	1994	1994	13,330		10			13,330
11	Leasehold Improvements	1994	1994	4,737	316	15	316		3,632
12	Leasehold Improvements	1995	1995	4,005	267	15	267		2,804
13	Land Improvements	1995	1995	3,221		10	161	161	3,221
14	Building Improvements	1995	1995	3,019		40	75	75	793
15	Building Improvements	1995	1995	64,500	1,654	39	1,654		17,712
16	Patio	1996	1996	1,168	78	15	78		740
17	Compressor	1996	1996	5,145	514	10	514		4,887
18	Road sidewalk	1997	1997	18,094		20	905	905	7,690
19	Foundation/Sprinkler	1997	1997	2,068	59	35	59		502
20	Flagpoles	1997	1997	1,573	105	15	105		891
21	Basement rehab	1998	1998	12,867	1,287	10	1,287		9,650
22	MDS Telnet wiring	1998	1998	3,365	337	10	337		2,524
23	Flag Pole	1998	1998	787	52	15	52		393
24	Resurface/restripe parking lot	1998	1998	4,976	498	10	498		3,733
25	Transfer 10 beds from shelter care	1998	1998	2,259	57	40	57		405
26	1st floor lobby tile	1999	1999	12,153	1,215	10	1,215		7,900
27	Parking lot repair	2000	2000	3,740	374	10	374		2,057
28	Roof repair	2000	2000	10,770	1,077	10	1,077		5,924
29	Automatic door	2000	2000	1,300	130	10	130		715
30	Kitchen rehab	2000	2000	16,887	1,689	10	1,689		9,288
31	Compressor	2001	2001	4,350	435	10	435		1,957
32	Boiler vent	2001	2001	3,228	323	10	323		1,453
33	Fire pump	2001	2001	1,766	177	10	177		795
34	Kitchen rehab	2001	2001	721	72	10	72		324
35	Elevator infrared curtains	2001	2001	4,500	450	10	450		2,025
36	Therapy room rehab - lower level	2004	2004	64,473	3,224	20	3,224		4,298

*Total beds on this schedule must agree with page 2.

**Improvement type must be detailed in order for the cost report to be considered complete.

See Page 12A, Line 70 for total

SEE ACCOUNTANTS' COMPILATION REPORT

XI. OWNERSHIP COSTS (continued)

B. Building Depreciation-Including Fixed Equipment. (See instructions.) Round all numbers to nearest dollar

1	2	3	4	5	6	7	8	9	
Improvement Type**	Year Constructed	Cost	Current Book Depreciation	Life in Years	Straight Line Depreciation	Adjustments	Accumulated Depreciation		
37 Elevator Upgrade	2004	\$ 3,486	\$ 174	20	\$ 174		\$ 189		37
38 HVAC Compressor	2004	11,845	592	20	592		740		38
39 Sidewalk, raise and support	2005	700	12	20	12		12		39
40 Pavement for parking lot	2005	6,650	194	20	194		194		40
41 Water softener	2005	2,635	121	20	121		121		41
42 Plumbing and sprinkler	2005	4,469	205	20	205		205		42
43 Lobby and lounge rehab	2005	44,560	2,042	20	2,042		2,042		43
44 Therapy room rehab	2005	1,721	22	20	22		22		44
45 First floor therapy room	2005	42,424	1,455	20	1,455		1,455		45
46 Transitional unit	2005	9,898	165	20	165		165		46
47 Countertop	2005	845	113	5	113		113		47
48 Wallcovering	2005	439	22	5	22		22		48
49									49
50									50
51									51
52									52
53									53
54									54
55									55
56									56
57									57
58									58
59 Land improvements - management company	2002	25,257		15	463	463	6,595		59
60 Building - management company	2002	196,500		40	3,628	3,628	19,241		60
61 HVAC, electrical, security system - management company	2003	1,948		30	33	33	320		61
62 Key card system - management company	2004	306		20	13	13	22		62
63 VAV TX controls - management company	2005	93		20	4	4	4		63
64									64
65									65
66									66
67									67
68									68
69									69
70 TOTAL (lines 4 thru 69)		\$ 7,052,387	\$ 19,507		\$ 185,262	\$ 165,755	\$ 1,970,497		70

SEE ACCOUNTANTS' COMPILATION REPORT

**Improvement type must be detailed in order for the cost report to be considered complete.

C. Equipment Depreciation-Excluding Transportation. (See instruction								
	Category of Equipment	1 Cost	Current Book Depreciation 2	Straight Line Depreciation 3	4 Adjustments	Component/ Life 5	Accumulated Depreciation 6	
71	Purchased in Prior Years	\$ 222,804	\$ 25,917	\$ 29,393	\$ 3,476	3-10 yrs	\$ 98,101	71
72	Current Year Purchases	47,223	3,295	3,295		5 years	3,295	72
73	Fully Depreciated Assets	489,480					489,480	73
74	Allocated from management company	195,469		20,126	20,126		98,487	74
75	TOTALS	\$ 954,976	\$ 29,212	\$ 52,814	\$ 23,602		\$ 689,363	75

D. Vehicle Depreciation (See instructions.)*										
	1 Use	Model, Make and Year 2	Year Acquired 3	4 Cost	Current Book Depreciation 5	Straight Line Depreciation 6	7 Adjustments	Life in Years 8	Accumulated Depreciation 9	
76				\$	\$	\$	\$		\$	76
77										77
78										78
79	Allocated from management company			43,570		4,141	4,141		31,171	79
80	TOTALS			\$ 43,570	\$	\$ 4,141	\$ 4,141		\$ 31,171	80

E. Summary of Care-Related Asset				1 Reference	2 Amount	
81	Total Historical Cost	(line 3, col.4 + line 70, col.4 + line 75, col.1 + line 80, col.4) + (Pages 12B thru 12I, if applicable)			\$ 8,561,958	81
82	Current Book Depreciation	(line 70, col.5 + line 75, col.2 + line 80, col.5) + (Pages 12B thru 12I, if applicable)			\$ 48,719	82
83	Straight Line Depreciation	(line 70, col.7 + line 75, col.3 + line 80, col.6) + (Pages 12B thru 12I, if applicable)			\$ 242,217	83
84	Adjustments	(line 70, col.8 + line 75, col.4 + line 80, col.7) + (Pages 12B thru 12I, if applicable)			\$ 193,498	84
85	Accumulated Depreciation	(line 70, col.9 + line 75, col.6 + line 80, col.9) + (Pages 12B thru 12I, if applicable)			\$ 2,691,031	85

F. Depreciable Non-Care Assets Included in General Ledger. (See instructions				
	1 Description & Year Acquired	2 Cost	Current Book Depreciation 3	Accumulated Depreciation 4
86		\$	\$	86
87				87
88				88
89				89
90				90
91	TOTALS	\$	\$	91

G. Construction-in-Progres		
	Description	Cost
92		\$
93		
94		
95		\$

* Vehicles used to transport residents to & from day training must be recorded in XI-F, not XI-D.

SEE ACCOUNTANTS' COMPILATION REPORT

** This must agree with Schedule V line 30, column f

XII. RENTAL COSTS

A. Building and Fixed Equipment (See instructions.)

1. Name of Party Holding Lease: N/A
 2. Does the facility also pay real estate taxes in addition to rental amount shown below on line 7, column 4?
 If NO, see instructions. ☐ YES ☐ NO

		1 Year Constructed	2 Number of Beds	3 Original Lease Date	4 Rental Amount	5 Total Years of Lease	6 Total Years Renewal Option*	
3	Original Building:				\$			3
4	Additions							4
5								5
6	Allocated from management company				3,450			6
7	TOTAL				\$ 3,450			7

8. List separately any amortization of lease expense included on page 4, line 34.
 This amount was calculated by dividing the total amount to be amortized
 by the length of the lease _____.

9. Option to Buy: ☐ YES ☐ NO Terms: _____ *

B. Equipment-Excluding Transportation and Fixed Equipment. (See instructions.)

15. Is Movable equipment rental included in building rental? ☐ YES ☒ NO
 16. Rental Amount for movable equipment: \$ 7,141 Description: Copier: \$4,273; Fax: \$284; Mailing machine: \$179; Allocation from management company: \$2,405
 (Attach a schedule detailing the breakdown of movable equipment)

C. Vehicle Rental (See instructions.)

	1 Use	2 Model Year and Make	3 Monthly Lease Payment	4 Rental Expense for this Period	
17			\$	\$	17
18					18
19					19
20					20
21	TOTAL		\$	\$	21

10. Effective dates of current rental agreement:
 Beginning _____
 Ending _____

11. Rent to be paid in future years under the current rental agreement:

	Fiscal Year Ending	Annual Rent
12.	<u>/2006</u>	\$ _____
13.	<u>/2007</u>	\$ _____
14.	<u>/2008</u>	\$ _____

* If there is an option to buy the building, please provide complete details on attached schedule.

** This amount plus any amortization of lease expense must agree with page 4, line 34.

SEE ACCOUNTANTS' COMPILATION REPORT

A. TYPE OF TRAINING PROGRAM (If CNAs are trained in another facility program, attach a schedule listing the facility name, address and cost per CNA trained in that facility)

<p>1. HAVE YOU TRAINED CNAs DURING THIS REPORT PERIOD?</p> <p><input type="checkbox"/> YES <input checked="" type="checkbox"/> NO</p> <p>It is the policy of this facility to only hire certified nurses aides</p> <p>If "yes", please complete the remainder of this schedule. If "no", provide an explanation as to why this training was not necessary.</p>	<p>2. CLASSROOM PORTION:</p> <p>IN-HOUSE PROGRAM <input type="checkbox"/></p> <p>IN OTHER FACILITY <input type="checkbox"/></p> <p>COMMUNITY COLLEGE <input type="checkbox"/></p> <p>HOURS PER CNA _____</p>	<p>3. CLINICAL PORTION:</p> <p>IN-HOUSE PROGRAM <input type="checkbox"/></p> <p>IN OTHER FACILITY <input type="checkbox"/></p> <p>HOURS PER CNA _____</p>
--	---	--

B. EXPENSES

ALLOCATION OF COSTS (d)

		Facility		3	4
		1	2		
		Drop-outs	Completed	Contract	Total
1	Community College Tuition	\$	\$	\$	\$
2	Books and Supplies				
3	Classroom Wages (a)				
4	Clinical Wages (b)				
5	In-House Trainer Wage (c)				
6	Transportation				
7	Contractual Payments				
8	CNA Competency Tests				
9	TOTALS	\$	\$	\$	\$
10	SUM OF line 9, col. 1 and 2 (e)	\$			

- (a) Include wages paid during the classroom portion of training. Do not include fringe benefit.
- (b) Include wages paid during the clinical portion of training. Do not include fringe benefit.
- (c) For in-house training programs only. Do not include fringe benefit.
- (d) Allocate based on if the CNA is from your facility or is being contracted to be trained in your facility. Drop-out costs can only be for costs incurred by your own CNAs.

C. CONTRACTUAL INCOME

In the box below record the amount of income your facility received training CNAs from other facilities:

\$ _____

D. NUMBER OF CNAs TRAINED

COMPLETED	
1. From this facility	
2. From other facilities (f)	
DROP-OUTS	
1. From this facility	
2. From other facilities (f)	
TOTAL TRAINED	

- (e) The total amount of Drop-out and Completed Costs for your own CNAs must agree with Sch. V, line 13, col. 8.
- (f) Attach a schedule of the facility names and addresses of those facilities for which you trained CNAs.
- SEE ACCOUNTANTS' COMPILATION REPORT

XIV. SPECIAL SERVICES (Direct Cost) (See instructions.

		1	2	3	4	5	6	7	8	
	Service	Schedule V Line & Column Reference	Staff		Outside Practitioner (other than consultant)		Supplies (Actual or Allocated)	Total Units (Column 2 + 4)	Total Cost (Col. 3 + 5 + 6)	
			Units of Service	Cost	Units	Cost				
1	Licensed Occupational Therapist	L10A, C3	hrs	\$	5,503	\$ 269,918	\$	5,503	\$ 269,918	1
2	Licensed Speech and Language Development Therapist	L10A, C3	hrs		1,062	64,826		1,062	64,826	2
3	Licensed Recreational Therapist		hrs							3
4	Licensed Physical Therapist	L10A, C3	hrs		7,865	347,030		7,865	347,030	4
5	Physician Care		visits							5
6	Dental Care		visits							6
7	Work Related Program		hrs							7
8	Habilitation		hrs							8
9	Pharmacy	L39, C2	# of prescrpts				277,041		277,041	9
	Psychological Services (Evaluation and Diagnosis/ Behavior Modification)		hrs							
10	Academic Education		hrs							10
11	Exceptional Care Program									11
12										12
13	Other (specify): Wound Therapy	L10A, C3				663			663	13
14	TOTAL			\$	14,430	\$ 682,437	\$ 277,041	14,430	\$ 959,478	14

NOTE: This schedule should include fees (other than consultant fees) paid to licensed practitioners. Consultant fees should be detailed
Schedule XVIII-B. Salaries of unlicensed practitioners, such as CNAs, who help with the above activities should not be listed
on this schedule.

SEE ACCOUNTANTS' COMPILATION REPORT

This report must be completed even if financial statements are attached.

		1 Operating	2 After Consolidation*	
	A. Current Assets			
1	Cash on Hand and in Banks	\$ 185,312	\$ 216,364	1
2	Cash-Patient Deposits			2
3	Accounts & Short-Term Notes Receivable- Patients (less allowance 666,000)	1,374,236	1,374,236	3
4	Supply Inventory (priced at)			4
5	Short-Term Investments			5
6	Prepaid Insurance	8,775	8,775	6
7	Other Prepaid Expenses	29,478	29,478	7
8	Accounts Receivable (owners or related parties)	3,632	3,632	8
9	Other(specify): Escrows		61,689	9
10	TOTAL Current Assets (sum of lines 1 thru 9)	\$ 1,601,433	\$ 1,694,174	10
	B. Long-Term Assets			
11	Long-Term Notes Receivable			11
12	Long-Term Investments	9,251	9,251	12
13	Land		511,025	13
14	Buildings, at Historical Cost		6,418,908	14
15	Leasehold Improvements, at Historical Cost	374,341	633,479	15
16	Equipment, at Historical Cost	318,078	998,546	16
17	Accumulated Depreciation (book methods)	(254,349)	(2,691,031)	17
18	Deferred Charges			18
19	Organization & Pre-Operating Costs			19
20	Accumulated Amortization - Organization & Pre-Operating Costs			20
21	Restricted Funds			21
22	Other Long-Term Assets (specify):			22
23	Other(specify): Unamortized loan costs		46,509	23
24	TOTAL Long-Term Assets (sum of lines 11 thru 23)	\$ 447,321	\$ 5,926,687	24
25	TOTAL ASSETS (sum of lines 10 and 24)	\$ 2,048,754	\$ 7,620,861	25

		1 Operating	2 After Consolidation*	
	C. Current Liabilities			
26	Accounts Payable	\$ 369,561	\$ 369,561	26
27	Officer's Accounts Payable			27
28	Accounts Payable-Patient Deposits			28
29	Short-Term Notes Payable	2,362,782	2,362,782	29
30	Accrued Salaries Payable	116,554	116,554	30
31	Accrued Taxes Payable (excluding real estate taxes)	85,931	85,931	31
32	Accrued Real Estate Taxes(Sch.IX-B)		116,400	32
33	Accrued Interest Payable		28,839	33
34	Deferred Compensation			34
35	Federal and State Income Taxes			35
	Other Current Liabilities(specify):			
36	See attached Schedule E	1,585,611	138,754	36
37				37
38	TOTAL Current Liabilities (sum of lines 26 thru 37)	\$ 4,520,439	\$ 3,218,821	38
	D. Long-Term Liabilities			
39	Long-Term Notes Payable			39
40	Mortgage Payable		5,126,927	40
41	Bonds Payable			41
42	Deferred Compensation			42
	Other Long-Term Liabilities(specify):			
43				43
44				44
45	TOTAL Long-Term Liabilities (sum of lines 39 thru 44)	\$	\$ 5,126,927	45
46	TOTAL LIABILITIES (sum of lines 38 and 45)	\$ 4,520,439	\$ 8,345,748	46
47	TOTAL EQUITY (page 18, line 24)	\$ (2,471,685)	\$ (724,887)	47
48	TOTAL LIABILITIES AND EQUITY (sum of lines 46 and 47)	\$ 2,048,754	\$ 7,620,861	48

SEE ACCOUNTANTS' COMPILATION REPORT

*(See instructions.)

Lexington of Lake Zurich
Provider # 0039768
1/1/05 - 12/31/05

Schedule E

XV. Balance Sheet

C. Current Liabilities

36. Other Current Liabilities

<u>Description</u>	<u>Operating</u>	<u>After Consolidation</u>
Accrued Rent	1,446,857	
Accrued Bond Withholding	891	891
Accrued management fees	5,607	5,607
Accrued 401 (k) contribution	11,174	11,174
Other accrued expenses	112,810	112,810
Due to related parties	8,272	8,272
Total line 36	<u>1,585,611</u>	<u>138,754</u>

See Accountants' Compilation Report

XVI. STATEMENT OF CHANGES IN EQUITY

		1 Total	
1	Balance at Beginning of Year, as Previously Reported	\$ (1,657,224)	1
2	Restatements (describe):		2
3			3
4	Post closing entries	(265,073)	4
5			5
6	Balance at Beginning of Year, as Restated (sum of lines 1-5)	\$ (1,922,297)	6
	A. Additions (deductions):		
7	NET Income (Loss) (from page 19, line 43)	(549,388)	7
8	Aquisitions of Pooled Companies		8
9	Proceeds from Sale of Stock		9
10	Stock Options Exercised		10
11	Contributions and Grants		11
12	Expenditures for Specific Purposes		12
13	Dividends Paid or Other Distributions to Owners	()	13
14	Donated Property, Plant, and Equipment		14
15	Other (describe)		15
16	Other (describe)		16
17	TOTAL Additions (deductions) (sum of lines 7-16)	\$ (549,388)	17
	B. Transfers (Itemize):		
18			18
19			19
20			20
21			21
22			22
23	TOTAL Transfers (sum of lines 18-22)	\$	23
24	BALANCE AT END OF YEAR (sum of lines 6 + 17 + 23)	\$ (2,471,685)	24 *

Operating Entity Only

* This must agree with page 17, line 47.

SEE ACCOUNTANTS' COMPILATION REPORT

STATE OF ILLINOIS

Page 19

Facility Name & ID Number Lexington of Lake Zurich

0039768

Report Period Beginning: 01/01/05

Ending:

12/31/05

XVII. INCOME STATEMENT (attach any explanatory footnotes necessary to reconcile this schedule to Schedules V and VI.) All required

classifications of revenue and expense must be provided on this form, even if financial statements are attached

Note: This schedule should show gross revenue and expenses. Do not net revenue against expenses.

1			
	Revenue	Amount	
A. Inpatient Care			
1	Gross Revenue -- All Levels of Care	\$ 9,287,227	1
2	Discounts and Allowances for all Levels	(1,134,170)	2
3	SUBTOTAL Inpatient Care (line 1 minus line 2)	\$ 8,153,057	3
B. Ancillary Revenue			
4	Day Care		4
5	Other Care for Outpatients		5
6	Therapy	1,315,766	6
7	Oxygen		7
8	SUBTOTAL Ancillary Revenue (lines 4 thru 7)	\$ 1,315,766	8
C. Other Operating Revenue			
9	Payments for Education		9
10	Other Government Grants		10
11	CNA Training Reimbursement		11
12	Gift and Coffee Shop	15,536	12
13	Barber and Beauty Care	32,126	13
14	Non-Patient Meals	489	14
15	Telephone, Television and Radio		15
16	Rental of Facility Space		16
17	Sale of Drugs	523,713	17
18	Sale of Supplies to Non-Patient		18
19	Laboratory	25,644	19
20	Radiology and X-Ray	20,565	20
21	Other Medical Services	134,083	21
22	Laundry	6,215	22
23	SUBTOTAL Other Operating Revenue (lines 9 thru 22)	\$ 758,371	23
D. Non-Operating Revenue			
24	Contributions		24
25	Interest and Other Investment Income**	17	25
26	SUBTOTAL Non-Operating Revenue (lines 24 and 25)	\$ 17	26
E. Other Revenue (specify):****			
27	Settlement Income (Insurance, Legal, Etc.)		27
28	Investment income	599	28
28a			28a
29	SUBTOTAL Other Revenue (lines 27, 28 and 28a)	\$ 599	29
30	TOTAL REVENUE (sum of lines 3, 8, 23, 26 and 29)	\$ 10,227,810	30

2			
	Expenses	Amount	
A. Operating Expenses			
31	General Services	1,420,644	31
32	Health Care	4,945,310	32
33	General Administration	2,398,233	33
B. Capital Expense			
34	Ownership	1,380,053	34
C. Ancillary Expense			
35	Special Cost Centers	516,342	35
36	Provider Participation Fee	116,616	36
D. Other Expenses (specify):			
37			37
38			38
39			39
40	TOTAL EXPENSES (sum of lines 31 thru 39)*	\$ 10,777,198	40
41	Income before Income Taxes (line 30 minus line 40)**	(549,388)	41
42	Income Taxes		42
43	NET INCOME OR LOSS FOR THE YEAR (line 41 minus line 42)	\$ (549,388)	43

* This must agree with page 4, line 45, column 4.

** Does this agree with taxable income (loss) per Federal Income Tax Return? No If not, please attach a reconciliation.
This entity is a cash basis taxpayer.

*** See the instructions. If this total amount has not been offset against interest expense on Schedule V, line 32, please include a detailed explanation. SEE ACCOUNTANTS' COMPILATION REPORT

****Provide a detailed breakdown of "Other Revenue" on an attached sheet.

Facility Name & ID Number Lexington of Lake Zurich# 0039768Report Period Beginning: 01/01/05Ending: 12/31/05

XVIII. A. STAFFING AND SALARY COSTS (Please report each line separately.)

(This schedule must cover the entire reporting period.)

		1	2**	3	4	
		# of Hrs. Actually Worked	# of Hrs. Paid and Accrued	Reporting Period Total Salaries, Wages	Average Hourly Wage	
1	Director of Nursing	1,792	1,970	\$ 82,925	\$ 42.09	1
2	Assistant Director of Nursing	4,003	4,226	142,103	33.63	2
3	Registered Nurses	37,108	40,445	1,246,421	30.82	3
4	Licensed Practical Nurses	13,122	14,330	347,317	24.24	4
5	CNAs & Orderlies	97,076	102,832	1,218,974	11.85	5
6	CNA Trainees					6
7	Licensed Therapist					7
8	Rehab/Therapy Aides	12,254	13,272	162,119	12.22	8
9	Activity Director	2,088	2,174	33,238	15.29	9
10	Activity Assistants	16,716	17,526	167,820	9.58	10
11	Social Service Worker	6,086	6,232	114,289	18.34	11
12	Dietician	2,056	2,165	32,247	14.89	12
13	Food Service Supervisor	1,234	1,275	18,824	14.76	13
14	Head Cook	2,070	2,188	26,977	12.33	14
15	Cook Helpers/Assistants	14,120	15,230	119,845	7.87	15
16	Dishwashers	17,400	18,352	124,316	6.77	16
17	Maintenance Worker	2,054	2,231	35,580	15.95	17
18	Housekeepers	38,985	41,371	295,677	7.15	18
19	Laundry	10,666	11,362	75,018	6.60	19
20	Administrator	2,206	2,372	98,737	41.63	20
21	Assistant Administrator					21
22	Other Administrative					22
23	Office Manager					23
24	Clerical	13,626	14,684	216,957	14.78	24
25	Vocational Instruction					25
26	Academic Instruction					26
27	Medical Director					27
28	Qualified MR Prof. (QMRP)					28
29	Resident Services Coordinator					29
30	Habilitation Aides (DD Homes)					30
31	Medical Records					31
32	Other Health Care(specify)					32
33	Other(specify)					33
34	TOTAL (lines 1 - 33)	294,662	314,237	\$ 4,559,384 *	\$ 14.51	34

* This total must agree with page 4, column 1, line 45.

** See instructions.

B. CONSULTANT SERVICES

		1	2	3	
		Number of Hrs. Paid & Accrued	Total Consultant Cost for Reporting Period	Schedule V Line & Column Reference	
35	Dietary Consultant	224	\$ 10,846	L1, C3	35
36	Medical Director	Monthly	46,876	L9, C3	36
37	Medical Records Consultant	25	1,348	L10, C3	37
38	Nurse Consultant	77	5,780	L10, C3	38
39	Pharmacist Consultant	Monthly	1,200	L10, C3	39
40	Physical Therapy Consultant				40
41	Occupational Therapy Consultant				41
42	Respiratory Therapy Consultant				42
43	Speech Therapy Consultant				43
44	Activity Consultant	96	4,578	L11, C3	44
45	Social Service Consultant	96	5,020	L12, C3	45
46	Other(specify)				46
47	Psychosocial Consultant	4	208	L12, C3	47
48					48
49	TOTAL (lines 35 - 48)	522	\$ 75,856		49

C. CONTRACT NURSES

		1	2	3	
		Number of Hrs. Paid & Accrued	Total Contract Wages	Schedule V Line & Column Reference	
50	Registered Nurses	5,302	\$ 264,538	L10, C3	50
51	Licensed Practical Nurses	3,223	131,935	L10, C3	51
52	Certified Nurse Assistants/Aides	4	218	L10, C3	52
53	TOTAL (lines 50 - 52)	8,529	\$ 396,691		53

SEE ACCOUNTANTS' COMPILATION REPORT

XIX. SUPPORT SCHEDULES

A. Administrative Salaries				D. Employee Benefits and Payroll Taxes			F. Dues, Fees, Subscriptions and Promotions		
Name	Function	Ownership %	Amount	Description	Amount	Description	Amount		
Gina McCarthy	Administrator	0.00%	\$ 82,327	Workers' Compensation Insurance	\$ 77,700	IDPH License Fee	\$		
Debbie Randon	Administrator	0.00%	16,410	Unemployment Compensation Insurance	70,505	Advertising: Employee Recruitment	5,652		
				FICA Taxes	327,580	Health Care Worker Background Check (Indicate # of checks performed 100)	1,000		
				Employee Health Insurance	127,966	Miscellaneous Licenses & Permits	1,035		
				Employee Meals	12,818	Miscellaneous Dues & Subs	1,839		
				Illinois Municipal Retirement Fund (IMRF)*					
				401(k) Contribution	7,176				
				Life Insurance	5,270				
				Other Employee Benefits	25,745				
TOTAL (agree to Schedule V, line 17, col. 1)									
(List each licensed administrator separately.)			\$ 98,737						
B. Administrative - Other									
Description			Amount						
Management fees (eliminated in column 7)			\$ 935,752			Allocation from management company	1,778		
						Less: Public Relations Expense	()		
						Non-allowable advertising	()		
						Yellow page advertising	()		
TOTAL (agree to Schedule V, line 17, col. 3)			\$ 935,752	TOTAL (agree to Schedule V, line 22, col.8)		\$ 654,760	TOTAL (agree to Sch. V, line 20, col. 8)		
(Attach a copy of any management service agreement)				E. Schedule of Non-Cash Compensation Paid to Owners or Employees			G. Schedule of Travel and Seminar**d		
C. Professional Services				Description	Line #	Amount	Description	Amount	
Vendor/Payee	Type		Amount						
Altschuler, Melvoin & Glasser LLP	Accounting		\$ 17,569				Out-of-State Travel	\$	
American Express Tax & Bus. Svcs.	Accounting		20,697						
James Samatas	Legal		100						
Personnel Planners	U/C Consulting		1,504	N/A			In-State Travel		
Sachnoff & Weaver	Legal		41,396						
Gilson Labus & Silverman	Accounting		352						
Katten Muchin Zavis and Rosenman	Legal		792						
Cassidy Shade & Gloor	Legal		26,542				Seminar Expense	16,492	
Grabowski Law Center, LLC	Collections		8,166						
ING	401(k) Consulting		420						
Serpico, Novelle, Petrosino & Rascia	Legal		2,430				Allocation from management company	3,212	
See attached Schedule F			26,510				Entertainment Expense	()	
TOTAL (agree to Schedule V, line 19, column 3)				TOTAL		\$	(agree to Sch. V, line 24, col. 8)		
(If total legal fees exceed \$2500 attach copy of invoices.)			\$ 146,478				TOTAL	\$ 19,704	

* Attach copy of IMRF notifications
SEE ACCOUNTANTS' COMPILATION REPORT

****See instructions.**

Lexington Health Care Center of Lake Zurich, Inc.
 Provider # 0039768
 1/1/05 - 12/31/05

Schedule F

XIX. Support Schedules
 C. Professional Services

<u>Vendor/Pavee</u>	<u>Type</u>	<u>Amount</u>
Scott & Krause	Legal	382
Royal Management	Other Professional Services	4,604
Systematic Management Systems	Collections	4744
CARF	CARF Consulting	526
Pamela Harshbarger	Public Aid Consultant	1675
Microsoft	Computer Services	4,116
Advanced Answers on Demand	Computer Services	2,633
AdminaStar	Computer Services	366
Action Computer Service	Computer Services	324
eHealth Solutions	Computer Services	2,200
Information Controls Inc.	Computer Services	1,156
Mcafee	Computer Services	88
Mcleod	Computer Services	620
National Datacare	Computer Services	1,356
Covad Communications	Computer Services	1,720
		<u>26,510</u>
Total, Agrees to Schedule V, Line 19, Column 3		<u>146,478</u>

Allocated from management co.

Altschuler, Melvoin & Glasser LLP	Accounting	133
American Express Tax & Business Services	Accounting	353
Account Temps	Accounting	1,095
Gilson, Labus and Silverman	Accounting	223
James Samatas	Legal	29
Katten, Muchin, Zavis and Rosenman	Legal	18
Sachnoff and Weaver	Legal	130
ILIAC / Pension Administrators	401 (k) Administration	882
Personnel Planners	U/C Consulting	7
Gene Whitehorn	Medicaid Billing Consultant	2,543
Various	Computer consulting	14,360
Allocated from building partnership		
James Samatas	Legal	291
Nonallowable legal fees		
Katten, Muchin, Zavis and Rosenman	Legal-out of period	(482)
Serpico, Novelle, Petrosino & Rascia Ltd.	Legal-out of period	(2,430)
Grabowski & Green	Legal-collection fees	(8,166)
Systematic Management Systems	Collection fees	(4,744)
Reclassifications		

Total, Agrees to Schedule V, Line 19, Column 8 150,720

See Accountants' Compilation Report

XIX-H. SUPPORT SCHEDULE - DEFERRED MAINTENANCE COSTS (which have been included in Sch. V, line 6, col. 3).
 (See instructions.)

	1	2	3	4	5	6	7	8	9	10	11	12	13
	Improvement Type	Month & Year Improvement Was Made	Total Cost	Useful Life	Amount of Expense Amortized Per Year								
					FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010
1			\$		\$	\$	\$	\$	\$	\$	\$	\$	\$
2							N/A						
3													
4													
5													
6													
7													
8													
9													
10													
11													
12													
13													
14													
15													
16													
17													
18													
19													
20	TOTALS		\$		\$	\$	\$	\$	\$	\$	\$	\$	\$

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number Lexington of Lake Zurich

0039768

Report Period Beginning:

01/01/05

Ending:

12/31/05

XX. GENERAL INFORMATION:

- (1) Are nursing employees (RN,LPN,NA) represented by a union No
- (2) Are there any dues to nursing home associations included on the cost report? No
If YES, give association name and amount N/A
- (3) Did the nursing home make political contributions or payments to a political action organization? No If YES, have these costs been properly adjusted out of the cost report? N/A
- (4) Does the bed capacity of the building differ from the number of beds licensed at the end of the fiscal year? No If YES, what is the capacity? N/A
- (5) Have you properly capitalized all major repairs and equipment purchases? Yes
What was the average life used for new equipment added during this period? 5 years
- (6) Indicate the total amount of both disposable and non-disposable diaper expenses and the location of this expense on Sch. V. 47,909 Line 10
- (7) Have all costs reported on this form been determined using accounting procedures consistent with prior reports? Yes If NO, attach a complete explanation
- (8) Are you presently operating under a sale and leaseback arrangement? No
If YES, give effective date of lease N/A
- (9) Are you presently operating under a sublease agreement? YES X NO
- (10) Was this home previously operated by a related party (as is defined in the instructions for Schedule VII)? YES NO X If YES, please indicate name of the facility IDPH license number of this related party and the date the present owners took over N/A
- (11) Indicate the amount of the Provider Participation Fees paid and accrued to the Department during this cost report period. \$ 116,616
This amount is to be recorded on line 42 of Schedule V
- (12) Are there any salary costs which have been allocated to more than one line on Schedule for an individual employee? No If YES, attach an explanation of the allocation

SEE ACCOUNTANTS' COMPILATION REPORT

- (13) Have costs for all supplies and services which are of the type that can be billed to the Department, in addition to the daily rate, been properly classified in the Ancillary Section of Schedule V? Yes
- (14) Is a portion of the building used for any function other than long term care services if the patient census listed on page 2, Section B No For example, is a portion of the building used for rental, a pharmacy, day care, etc.) If YES, attach a schedule which explains how all related costs were allocated to these function
- (15) Indicate the cost of employee meals that has been reclassified to employee benefits on Schedule V. \$ 12,818 Has any meal income been offset against related costs? Yes Indicate the amount \$ 489
- (16) Travel and Transportation
a. Are there costs included for out-of-state travel? No
If YES, attach a complete explanation
b. Do you have a separate contract with the Department to provide medical transportation for residents? No If YES, please indicate the amount of income earned from such program during this reporting period. \$ N/A
c. What percent of all travel expense relates to transportation of nurses and patients? 0%
d. Have vehicle usage logs been maintained? Adequate records have been maintained.
e. Are all vehicles stored at the nursing home during the night and all other times when not in use? Yes
f. Has the cost for commuting or other personal use of autos been adjusted out of the cost report? Yes
g. Does the facility transport residents to and from day training? No
Indicate the amount of income earned from providing such transportation during this reporting period. \$ N/A
- (17) Has an audit been performed by an independent certified public accounting firm? No
Firm Name: N/A The instructions for the cost report require that a copy of this audit be included with the cost report. Has this copy been attached? N/A If no, please explain. N/A
- (18) Have all costs which do not relate to the provision of long term care been adjusted out of Schedule V? Yes
- (19) If total legal fees are in excess of \$2500, have legal invoices and a summary of services performed been attached to this cost report? Yes
Attach invoices and a summary of services for all architect and appraisal fee

RECONCILIATION REPORT

11:46 AM 5/16/2006

ITEM	Value 1	Cond.	Value 2	Difference	RESULTS	COMPARE CEL	SUB-SCHED.	LINE NO.	COL. NO.	WITH CELL	SUB-SCHED.	LINE NO.	COL. NO.
Adjustment Detail	-1,173,590	equal to	-1,173,590	0	O.K.	Pg5 Z22	B.	37	1	Pg4 K29	N/A	45	7
Interest Expense	382,450	equal to	382,450	0	O.K.	Pg9 P34	A.	15	10	Pg4 L13	N/A	32	8
Real Estate Tax Expenses	99,452	equal to	99,452	0	O.K.	Pg10 W24	B.	5	N/A	Pg4 L14	N/A	33	8
Amortization exp. Pre-opening & org.	N/A	equal to	0	#VALUE!	#VALUE!	Pg11 I33	E.	3	N/A	Pg4 L12	N/A	31	8
Ownership Costs-Depreciation	242,217	equal to	242,217	0	O.K.	Pg13 Y28	E.	49	2	Pg4 L11	N/A	30	8
Rental Costs A	3,450	equal to	3,450	0	O.K.	Pg14 L20+N22	A.	7 + 8	4+N/A	Pg4 L15	N/A	34	8
Rental Costs B	7,141	equal to	7,141	0	O.K.	Pg14 J30+N40	B.+ C.	16+21	N/A+4	Pg4 L16	N/A	35	8
Nurse Aid Training Prog.	0	equal to	0	0	O.K.	Pg15 L36	B.	10	1	Pg3 L23	N/A	13	8
Special Serv.- Staff Wages		equal to		0	O.K.	Pg16 N32	N/A	14	3	Pg4 E22	N/A	39	1
Therapy Services	681,774	equal to	682,437	-663	FAILED	Pg16 Z12+Z14.	N/A/B	1-4;40-43	8;2	Pg3 H20	N/A	10a	4
Special Serv.- Supplies	277,041	equal to	277,041	0	O.K.	Pg16 V32	N/A	14	6	Pg4 F22 + Pg 3	N/A	39,10a	2
Income Stat. General Serv.	1,420,644	equal to	1,420,644	0	O.K.	Pg19 P11	N/A	31	2	Pg3 H16	N/A	8	4
Income Stat. Health Care	4,945,310	equal to	4,945,310	0	O.K.	Pg19 P12	N/A	32	2	Pg3 H26	N/A	16	4
Income Stat. Admininstation	2,398,233	equal to	2,398,233	0	O.K.	Pg19 P13	N/A	33	2	Pg3 H39	N/A	28	4
Income Stat. Ownership	1,380,053	equal to	1,380,053	0	O.K.	Pg19 P15	N/A	34	2	Pg4 H18	N/A	37	4
Income Stat. Special Cost Ctr	516,342	equal to	516,342	0	O.K.	Pg19 P17	N/A	35	2	Pg4 H21..H24+i	N/A	38to41+43	4
Income Stat. Prov. Partic.	116,616	equal to	116,616	0	O.K.	Pg19 P18	N/A	36	2	Pg4 H25	N/A	42	4
Staff- Nursing	3,037,740	equal to	3,199,859	-162,119	FAILED	Pg20 K11..K15+	A.	1-5,24,25,27-30	3	Pg3 E19	N/A	10	1
Staff- Nurse aide Training	0	< or = to	0	0	O.K.	Pg20 K16	A.	6	3	Pg3 E23	N/A	13	1
Staff-Licensed Therapist	0	equal to	0	0	O.K.	Pg20 K17	A.	7	3	Pg4 E22	N/A	39	1
Staff- Activities	201,058	equal to	201,058	0	O.K.	Pg20 K19+K20	A.	9+10	3	Pg3 E21	N/A	11	1
Staff- Social Serv. Workers	114,289	equal to	114,289	0	O.K.	Pg20 K21	A.	11	3	Pg3 E22	N/A	12	1
Staff- Dietary	322,209	equal to	322,209	0	O.K.	Pg20 K22..K26	A.	16-Dec	3	Pg3 E9	N/A	1	1
Staff- Maintenance	35,580	equal to	35,580	0	O.K.	Pg20 K27	A.	17	3	Pg3 E14	N/A	6	1
Staff- Housekeeping	295,677	equal to	295,677	0	O.K.	Pg20 K28	A.	18	3	Pg3 E11	N/A	3	1
Staff- Laundry	75,018	equal to	75,018	0	O.K.	Pg20 K29	A.	19	3	Pg3 E12	N/A	4	1
Staff- Administrative	98,737	equal to	98,737	0	O.K.	Pg20 K30..K32	A.	20-22	3	Pg3 E28	N/A	17	1
Staff- Clerical	216,957	equal to	216,957	0	O.K.	Pg20 K33..K34	A.	23+24	3	Pg3 E32	N/A	21	1
Staff- Medical Director	0	equal to	0	0	O.K.	Pg20 K37	A.	27	3	Pg3 E18	N/A	9	1
Total Salaries And Wages	4,559,384	equal to	4,559,384	0	O.K.	Pg20 K44	A.	34	3	Pg4 E29	N/A	45	1
Dietary Consultant	10,846	< or = to	10,846	0	O.K.	Pg20 X12	B.	35	2	Pg3 G9	N/A	1	3
Medical Director	46,876	< or = to	46,876	0	O.K.	Pg20 X13	B.	36	2	Pg3 G18	N/A	9	3
Consultants & contractors	405,019	< or = to	456,677	-51,658	O.K.	Pg20 X14..X16+	B. & C.	17to39 and 50to6	2	Pg3 G19	N/A	10	3
Activity Consultant	4,578	< or = to	4,578	0	O.K.	Pg20 X21	B.	44	2	Pg3 G21	N/A	11	3
Social Service Consultant	5,020	< or = to	5,228	-208	O.K.	Pg20 X22	B.	45	2	Pg3 G22	N/A	12	3
Supp. Sched.- Admin. Salar.	98,737	equal to	98,737	0	O.K.	Pg21 I16	A.	N/A	N/A	Pg3 E28	N/A	17	1
Supp. Sched.- Admin. Other	935,752	equal to	935,752	0	O.K.	Pg21 I24	B.	N/A	N/A	Pg3 G28	N/A	17	3
Supp. Sched.- Prof. Serv.	146,478	equal to	146,478	0	O.K.	Pg21 I41	C.	N/A	N/A	Pg3 G30	N/A	19	3
Supp. Sched.- Benefit/Taxes	654,760	equal to	654,760	0	O.K.	Pg21 P22	D.	N/A	N/A	Pg3 L33	N/A	22	8
Supp. Sched.- Sched of dues..	11,304	equal to	11,304	0	O.K.	Pg21 V22	F.	N/A	N/A	Pg3 L31	N/A	20	8
Supp. Sched.- Sched. of trav	19,704	equal to	19,704	0	O.K.	Pg21 V41	G.	N/A	N/A	Pg3 L35	N/A	24	8
Gen. Info - Particip. Fees	116,616	equal to	116,616	0	O.K.	Pg23 I38	N/A	11	N/A	Pg4 G25	N/A	42	3
Gen. Info - Employee Meals	12,818	< or = to	12,818	0	O.K.	Pg23 S16	N/A	16	N/A	Pg3 K33	N/A	2 & 22	7
Gen. Info - Employee Meals	12,818	equal to	12,818	0	O.K.	Pg23 S16	N/A	16	N/A	Pg21 P12	D.	N/A	N/A
Nurse aide training	0	equal to	0	0	O.K.	Pg15 U29..U31	B.	3, 4 & 5	4	Pg3 E23	N/A	13	1
Days of medicare provided	8,543	equal to	9,592	-1,049	FAILED	Pg2 AB29	K.	N/A	N/A	Pg2 J30	B.	8	4
Adjustment for related org. costs	-937,716	equal to	-937,716	0	O.K.	Pg5 Z18	B.	34	1	Pg6 to Pg 6l Y4	B.	14	8
Total loan balance	7,489,709	equal to	7,489,709	0	O.K.	Pg9 L34	A.	15	7	Pg17 V13+V27.	N/A	29+39-41	2
Real estate tax accrual	116,400	equal to	116,400	0	O.K.	Pg10 W15	B.	4	N/A	Pg17 V17	N/A	32	2
Land	511,025	equal to	511,025	0	O.K.	Pg11 T43	A.	3	4	Pg17 K25	N/A	13	2
Building cost	7,052,387	equal to	7,052,387	0	O.K.	Pg12 to 12l L43	B.	36	4	Pg17 K26+K27	N/A	14 & 15	2
Equipment and vehicle cost	998,546	equal to	998,546	0	O.K.	Pg13 O22+L13	C. & D.	41 + 46	1 + 4	Pg17 K28	N/A	16	2
Accumulated depr.	2,691,031	equal to	2,691,031	0	O.K.	Pg13 Y30	E.	51	2	Pg17 K29	N/A	17	2
End of year equity	-2,471,685	equal to	-2,471,685	0	O.K.	Pg18 I33	N/A	24	1	Pg17 S39	N/A	47	1
Net income (loss)	-549,388	equal to	-549,388	0	O.K.	Pg18 I15	N/A	7	1	Pg19 P30	N/A	43	2
Unamortized deferred maint. cost	0	equal to	0	0	O.K.	Pg22 F31-J31..1	H.	20	3	Pg17 K30	N/A	18	2
Balance Sheet	2,048,754	equal to	2,048,754	0	O.K.	Pg17 H41		25	1	Pg17 S41	N/A	48	1

Lexington of Lake Zurich
IDPA Comparative Data - Per Resident Day Cost
Year Ending 12/31/05

Enter your HSA # in next column
Census (Pulls from Page 2)

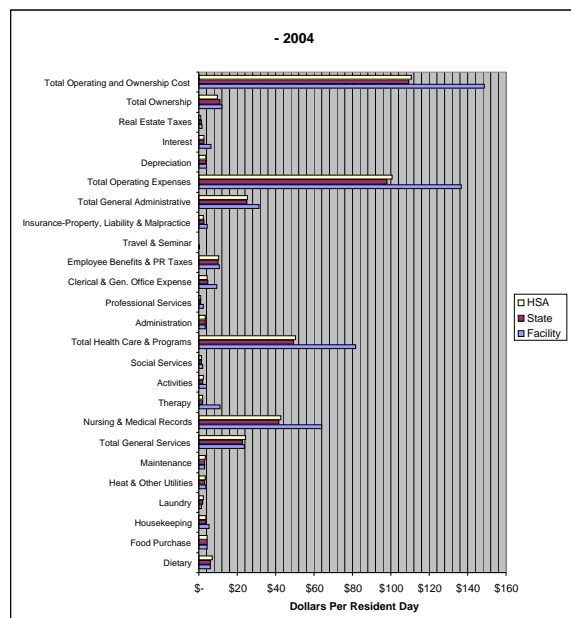
1
61,678

		Average Median Cost Per Day																	
Cost Report Line	Description	Your Facility	State	HSA															
1	Dietary	5.95	6.01	7.02															
2	Food Purchase	4.17	4.31	4.47															
3	Housekeeping	5.26	3.70	3.59															
4	Laundry	1.40	1.85	2.23															
5	Heat & Other Utilities	3.65	2.95	3.17															
6	Maintenance	3.15	3.01	3.26															
					IDPA LTC Profiles														
					LTC Median Per Diem Cost by HSA - 2003 Cost Reports														
					2003 (Run June 1, 2004)														
					UN-INFLATED														
		Cost Report Line	Description	State- Wide	HSA	HSA	HSA	HSA	HSA	HSA	HSA	HSA	HSA	HSA	HSA				
					1	2	3	4	5	6	7	8	9	10	11	10th %	90th %		
8	Total General Services	23.66	22.58	24.49	1 Dietary	6.01	7.02	6.48	5.50	6.48	5.48	6.06	6.06	5.50	7.02	5.70	4.13	9.81	
10	Nursing & Medical Records	63.93	41.83	42.52	2 Food Purchase	4.31	4.47	4.40	4.27	4.40	3.99	4.31	4.31	4.28	4.47	4.11	3.36	6.04	
10A	Therapy	11.06	2.10	1.86	3 Housekeeping	3.70	3.59	3.68	2.91	3.68	3.40	4.05	4.05	3.97	3.59	3.61	2.48	5.80	
11	Activities	3.84	1.91	2.18	4 Laundry	1.85	2.23	1.90	1.79	1.90	2.10	1.59	1.59	1.69	2.23	2.13	0.91	3.14	
12	Social Services	1.94	1.42	1.45	5 Heat & Other Utilities	2.95	3.17	2.93	2.94	2.93	2.71	2.93	2.93	2.91	3.17	2.95	2.05	4.25	
16	Total Health Care & Programs	81.68	49.48	50.39	6 Maintenance	3.01	3.26	3.03	2.99	3.03	2.55	3.21	3.21	3.01	3.26	2.82	1.92	5.12	
17	Administration	3.17	3.36	3.82	8 TOTAL GENERAL SERVICES	24.49	23.99	21.14	21.99	21.47	22.65	22.65	22.65	22.45	24.49	21.71	31.71	31.71	
19	Professional Services	2.44	0.99	1.09	10 Nursing & Medical Records	41.83	42.52	43.12	38.37	43.12	37.78	45.12	45.12	45.12	42.72	42.52	42.52	64.45	
21	Clerical & Gen. Office Expense	9.35	4.79	4.32	10A Therapy	2.10	1.86	2.69	3.34	2.69	3.47	1.45	1.45	1.45	2.42	1.86	2.24	10.57	
22	Employee Benefits & PR Taxes	10.62	10.09	10.42	11 Activities	1.91	2.18	1.92	1.61	1.92	1.48	2.16	2.16	2.05	2.18	1.54	1.06	3.45	
24	Travel & Seminar	0.32	0.08	0.10	12 Social Services	1.42	1.45	1.64	1.05	1.64	1.09	1.60	1.60	1.12	1.45	1.27	0.58	3.00	
26	Insurance-Property, Liability & Malpractice	4.42	2.58	2.47	16 TOTAL HEALTH CARE & PROGRAMS	49.48	50.39	51.22	46.39	51.22	41.58	52.34	52.34	52.34	54.96	50.39	32.10	77.23	
28	Total General Administrative	31.43	24.94	25.31	17 Administration	3.36	3.33	3.15	3.15	3.15	3.60	3.46	3.46	3.46	3.40	3.33	3.17	1.71	7.21
29	Total Operating Expenses	136.77	98.06	100.77	19 Professional Services	0.99	1.09	0.85	0.83	0.85	0.76	1.12	1.12	1.12	1.13	0.99	0.07	3.44	
30	Depreciation	3.93	3.70	3.82	21 Clerical & Gen. Office Expense	4.79	4.32	4.97	3.98	4.97	3.46	5.56	5.56	5.56	5.04	4.32	2.49	10.78	
32	Interest	6.20	2.54	2.81	22 Employee Benefits & PR Taxes	10.09	10.42	11.01	8.88	11.01	7.67	10.51	10.51	10.51	11.38	10.42	9.08	6.33	19.94
33	Real Estate Taxes	1.61	1.38	0.92	24 Travel & Seminar	0.08	0.10	0.13	0.10	0.13	0.13	0.06	0.06	0.05	0.10	0.07	-	0.43	
37	Total Ownership	11.91	11.11	9.73	26 Insurance-Property, liability & Malpractice	2.58	2.47	2.55	2.35	2.55	2.22	2.85	2.85	2.85	2.19	2.47	0.88	4.32	
	Total Operating and Ownership Cost	148.68	####	110.50	28 TOTAL GENERAL ADMINISTRATIVE	24.94	25.31	26.11	23.02	26.11	21.37	25.81	25.81	25.81	26.59	25.31	22.93	16.95	39.14
					29 TOTAL OPERATING EXPENSES	98.06	100.77	100.83	92.47	100.83	88.05	100.96	100.96	100.96	103.01	100.77	94.71	60.49	142.56
					30 Depreciation	3.70	3.82	4.08	3.29	4.08	2.54	4.11	4.11	4.11	3.54	3.82	3.38	1.01	8.83
					32 Interest	2.54	2.81	2.99	2.19	2.99	1.96	4.05	4.05	4.05	2.81	2.99	1.13	-	11.41
					33 Real Estate Taxes	1.38	0.92	1.08	0.82	1.08	0.80	3.20	3.20	3.20	1.36	0.92	1.11	-	4.85
					37 TOTAL OWNERSHIP	11.11	11.91	9.73	9.80	8.80	9.80	7.04	14.54	14.54	14.54	11.02	9.73	3.76	23.58
					TOTAL OPERATING & OWNERSHIP CC	109.17	110.50	109.83	100.47	109.83	95.09	115.50	115.50	115.50	114.03	110.50	103.10	73.16	166.58

Notes:

Your Facility data is from page 3, column 8 of your 2005 Medicaid cost report, divided by your annual census.

The Average Median Cost Per Day for the State and your HSA is taken from data available from the Illinois Department of Public Aid and corresponds with the respective cost report data after final adjustments.

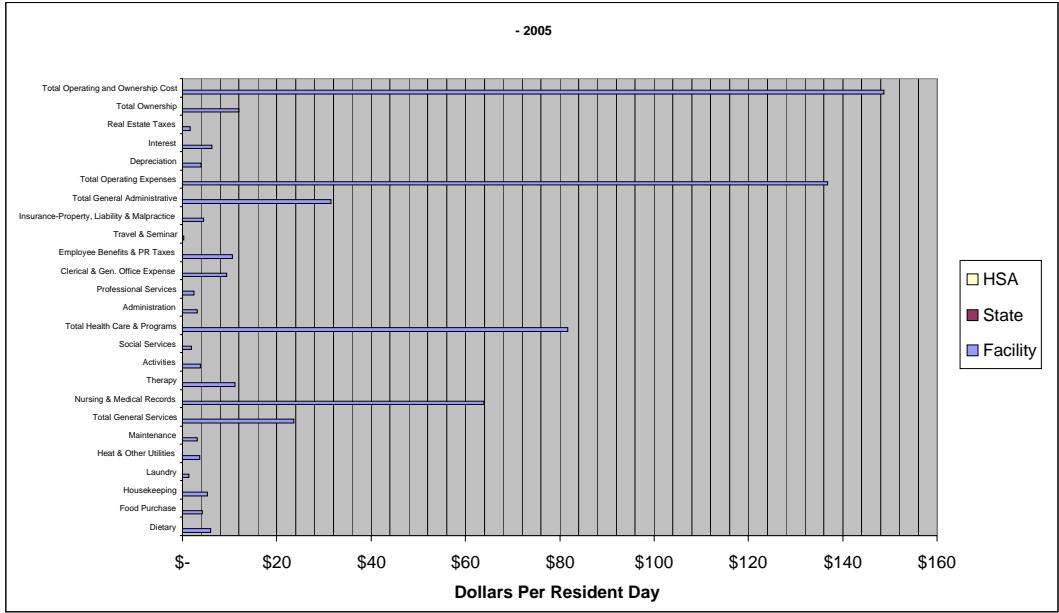


Cost Report Line	Description	2005 Per Diem Your Facility	2004 Median Cost Per Day		2004 Per Diem Your Facility	2004 Median Cost Per Day		2003 Per Diem Your Facility	2003 Median Cost Per Day		2002 Per Diem Your Facility	2002 Median Cost Per Day	
			State	HSA		State	HSA		State	HSA		State	HSA
1	Dietary	5.95	-	-	#DIV/0!	-	-	#DIV/0!	6.10	5.70	#DIV/0!	6.01	5.60
2	Food Purchase	4.17	-	-	#DIV/0!	-	-	#DIV/0!	4.31	4.11	#DIV/0!	4.27	4.09
3	Housekeeping	5.26	-	-	#DIV/0!	-	-	#DIV/0!	3.70	3.61	#DIV/0!	3.65	3.48
4	Laundry	1.40	-	-	#DIV/0!	-	-	#DIV/0!	1.85	2.13	#DIV/0!	1.90	2.23
5	Heat & Other Utilities	3.65	-	-	#DIV/0!	-	-	#DIV/0!	2.95	2.95	#DIV/0!	2.71	2.73
6	Maintenance	3.15	-	-	#DIV/0!	-	-	#DIV/0!	3.01	2.82	#DIV/0!	2.99	2.92
8	Total General Services	23.66	-	-	#DIV/0!	-	-	#DIV/0!	22.58	21.73	#DIV/0!	22.09	22.04
10	Nursing & Medical Records	63.93	-	-	#DIV/0!	-	-	#DIV/0!	41.83	42.15	#DIV/0!	40.68	41.16
10A	Therapy	11.06	-	-	#DIV/0!	-	-	#DIV/0!	2.10	2.24	#DIV/0!	1.85	2.27
11	Activities	3.84	-	-	#DIV/0!	-	-	#DIV/0!	1.91	1.54	#DIV/0!	1.88	1.60
12	Social Services	1.94	-	-	#DIV/0!	-	-	#DIV/0!	1.42	1.27	#DIV/0!	1.44	1.32
16	Total Health Care & Programs	81.68	-	-	#DIV/0!	-	-	#DIV/0!	49.48	49.49	#DIV/0!	47.55	47.76
17	Administration	3.17	-	-	#DIV/0!	-	-	#DIV/0!	3.36	3.17	#DIV/0!	3.39	3.54
19	Professional Services	2.44	-	-	#DIV/0!	-	-	#DIV/0!	0.99	0.77	#DIV/0!	0.98	0.72
21	Clerical & Gen. Office Expense	9.35	-	-	#DIV/0!	-	-	#DIV/0!	4.79	4.25	#DIV/0!	4.58	4.31
22	Employee Benefits & PR Taxes	10.62	-	-	#DIV/0!	-	-	#DIV/0!	10.09	9.08	#DIV/0!	9.63	8.44
24	Travel & Seminar	0.32	-	-	#DIV/0!	-	-	#DIV/0!	0.08	0.07	#DIV/0!	0.09	0.09
26	Insurance-Property, Liability & Malpractice	4.42	-	-	#DIV/0!	-	-	#DIV/0!	2.58	2.61	#DIV/0!	2.19	2.03
28	Total General Administrative	31.43	-	-	#DIV/0!	-	-	#DIV/0!	24.94	22.93	#DIV/0!	23.47	21.93
29	Total Operating Expenses	136.77	-	-	#DIV/0!	-	-	#DIV/0!	98.06	94.71	#DIV/0!	94.39	91.33
30	Depreciation	3.93	-	-	#DIV/0!	-	-	#DIV/0!	3.70	3.38	#DIV/0!	3.53	3.04
32	Interest	6.20	-	-	#DIV/0!	-	-	#DIV/0!	2.54	1.50	#DIV/0!	2.73	1.54
33	Real Estate Taxes	1.61	-	-	#DIV/0!	-	-	#DIV/0!	1.38	1.11	#DIV/0!	1.30	1.03
37	Total Ownership	11.91	-	-	#DIV/0!	-	-	#DIV/0!	11.11	8.39	#DIV/0!	11.44	10.00
	Total Operating and Ownership Cost	148.68	-	-	#DIV/0!	-	-	#DIV/0!	103.10	103.10	#DIV/0!	105.83	101.30

Notes:

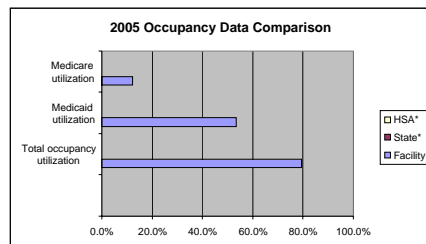
Your Facility data is from page 3, column 8 of each of your respective Medicaid cost reports, divided by the respective annual census.

The 2005, 2004, 2003 & 2002 Median Cost Per Day for the State and your HSA is taken from data available from the Illinois Department of Public Aid and corresponds with the respective cost report data after final adjustments.



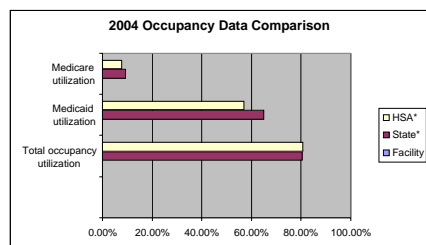
2005

Your Facility	State*	HSA*
Total occupancy utilization	79.33%	0.00%
Medicaid utilization	53.44%	0.00%
Medicare utilization	12.34%	0.00%
Private pay percent utilization	13.12%	N/A
Capacity in Patient Days	77,745	N/A
Census days of service provided	61,678	N/A



2004

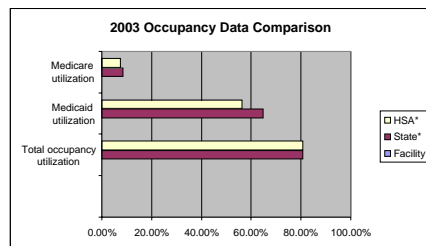
Your Facility	State*	HSA*
Total occupancy utilization	#DIV/0!	80.50%
Medicaid utilization	#DIV/0!	65.00%
Medicare utilization	#DIV/0!	9.40%
Private pay percent utilization	#DIV/0!	N/A
Capacity in Patient Days	N/A	N/A
Census days of service provided	N/A	N/A



* State and HSA data for 2004 and 2005 is not expected to be available from HFS until March 2006 and 2007 respectively.

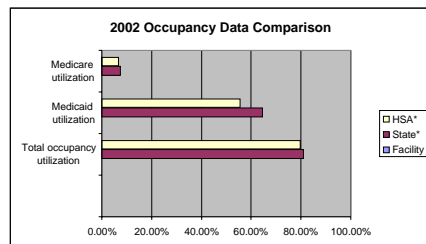
2003

Your Facility	State*	HSA*
Total occupancy utilization	#DIV/0!	80.80%
Medicaid utilization	#DIV/0!	64.80%
Medicare utilization	#DIV/0!	8.50%
Private pay percent utilization	#DIV/0!	N/A
Capacity in Patient Days	N/A	N/A
Census days of service provided	N/A	N/A

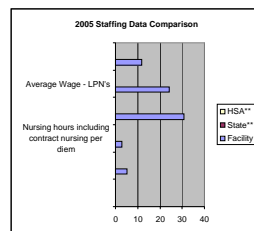


2002

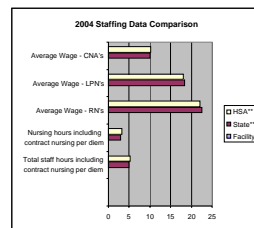
Your Facility	State*	HSA*
Total occupancy utilization	#DIV/0!	80.90%
Medicaid utilization	#DIV/0!	64.50%
Medicare utilization	#DIV/0!	7.40%
Private pay percent utilization	#DIV/0!	N/A
Capacity in Patient Days	N/A	N/A
Census days of service provided	N/A	N/A



2005			
Your			
Facility	State**	HSA**	
Total staff hours including contract nursing per diem	5.23	0.00	0.00
Nursing hours including contract nursing per diem	2.79	0.00	0.00
Average Wage - RN's	30.82	0.00	0.00
Average Wage - LPN's	24.24	0.00	0.00
Average Wage - CNA's	11.85	0.00	0.00

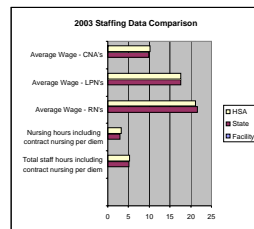


2004			
Your			
Facility	State**	HSA**	
Total staff hours including contract nursing per diem	5.00	5.30	
Nursing hours including contract nursing per diem	3.00	3.20	
Average Wage - RN's	22.54	22.05	
Average Wage - LPN's	18.40	18.02	
Average Wage - CNA's	10.02	10.13	

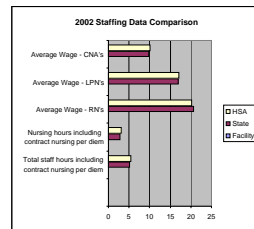


** State and HSA data for 2004 and 2005 is not expected to be available from HFS until March 2006 and 2007 respectively.

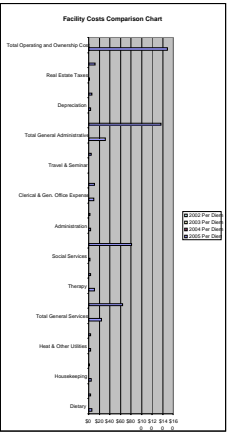
2003			
Your			
Facility	State	HSA	
Total staff hours including contract nursing per diem	5.10	5.30	
Nursing hours including contract nursing per diem	2.90	3.20	
Average Wage - RN's	21.56	21.14	
Average Wage - LPN's	17.64	17.65	
Average Wage - CNA's	9.91	10.11	



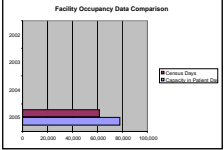
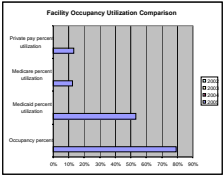
2002			
Your			
Facility	State	HSA	
Total staff hours including contract nursing per diem	5.20	5.50	
Nursing hours including contract nursing per diem	2.80	3.10	
Average Wage - RN's	20.69	20.12	
Average Wage - LPN's	16.89	17.04	
Average Wage - CNA's	9.73	10.05	



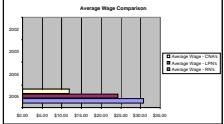
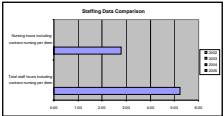
Cost Report Line	Account	Year 2003	Year 2004	Year 2005	Year 2006
		Facility	Facility	Facility	Facility
		2003	2004	2005	2006
		Per Bed	Per Bed	Per Bed	Per Bed
1	Steno	5.05	4500/01	4500/01	4500/01
2	Food Purchase	4.27	4500/01	4500/01	4500/01
3	Housekeeping	5.36	4500/01	4500/01	4500/01
4	Laundry	1.40	4500/01	4500/01	4500/01
5	Heat & Other Utilities	1.45	4500/01	4500/01	4500/01
6	Maintenance	3.25	4500/01	4500/01	4500/01
8	Total General Services	20.84	4500/01	4500/01	4500/01
10	Nursing & Medical Records	42.15	4500/01	4500/01	4500/01
10A	Therapy	21.06	4500/01	4500/01	4500/01
11	Activities	1.84	4500/01	4500/01	4500/01
12	Social Services	1.94	4500/01	4500/01	4500/01
16	Total Health Care & Programs	81.48	4500/01	4500/01	4500/01
17	Administration	3.27	4500/01	4500/01	4500/01
19	Professional Services	2.44	4500/01	4500/01	4500/01
21	Child & Gen. Office Expense	9.35	4500/01	4500/01	4500/01
22	Employee Benefits & FR Taxes	49.42	4500/01	4500/01	4500/01
24	Travel & Lodging	6.32	4500/01	4500/01	4500/01
26	Insurance-Property, Liability & Malpractice	4.43	4500/01	4500/01	4500/01
28	Total General Administration	6.47	4500/01	4500/01	4500/01
29	Total Operating Expenses	136.75	4500/01	4500/01	4500/01
30	Depreciation	3.03	4500/01	4500/01	4500/01
32	Interest	4.36	4500/01	4500/01	4500/01
33	Real Estate Taxes	1.42	4500/01	4500/01	4500/01
37	Total Ownership	11.91	4500/01	4500/01	4500/01
Total Operating and Ownership Cost		148.66	4500/01	4500/01	4500/01



	Facility 2003	Facility 2004	Facility 2005	Facility 2006
Occupancy percent	76.33%	4500/01	4500/01	4500/01
Medicaid percent utilization	52.44%	4500/01	4500/01	4500/01
Medicare percent utilization	52.34%	4500/01	4500/01	4500/01
Private pay percent utilization	52.12%	4500/01	4500/01	4500/01
Capacity in Patient Days	77,740	0	0	0
Census Days	49,426	0	0	0



	Facility 2003	Facility 2004	Facility 2005	Facility 2006
Total staff hours including contract nursing per day	3.28	0.00	0.00	0.00
Nursing hours including contract nursing per day	2.70	0.00	0.00	0.00
Average Wage - BNY	\$6.80	0.00	0.00	0.00
Average Wage - LEPN	\$4.24	0.00	0.00	0.00
Average Wage - CHS	\$3.85	0.00	0.00	0.00



	Salaries	Supplies	Other	Total	Reclass- ifications	Reclassified Total	Adjusted Adjustments	Adjusted Total
1. Dietary	322,209	34,094	10,846	367,149	0	367,149	0	367,149
2. Food Purchase	0	270,395	0	270,395	0	270,395	-13,307	257,088
3. Housekeeping	295,677	28,452	0	324,129	0	324,129	298	324,427
4. Laundry	75,018	17,314	0	92,332	0	92,332	-6,215	86,117
5. Heat and Other Utilities	0	0	220,622	220,622	0	220,622	4,727	225,349
6. Maintenance	35,580	0	110,437	146,017	0	146,017	48,160	194,177
7. Other (specify)*	0	0	0	0	0	0	4,858	4,858
8. Total General Services	728,484	350,255	341,905	1,420,644	0	1,420,644	38,521	1,459,165
9. Medical Director	0	0	46,876	46,876	0	46,876	0	46,876
10. Nursing & Medical Records	3,199,859	203,089	456,677	3,859,625	0	3,859,625	83,438	3,943,063
10a. Therapy	0	0	682,437	682,437	0	682,437	0	682,437
11. Activities	201,058	31,219	4,578	236,855	0	236,855	0	236,855
12. Social Services	114,289	0	5,228	119,517	0	119,517	0	119,517
13. Nurse Aide Training	0	0	0	0	0	0	0	0
14. Program Transportation	0	0	0	0	0	0	0	0
15. Other (specify)*	0	0	0	0	0	0	9,280	9,280
16. Total Health Care & Programs	3,515,206	234,308	1,195,796	4,945,310	0	4,945,310	92,718	5,038,028
17. Administrative	98,737	0	935,752	1,034,489	0	1,034,489	-838,980	195,509
18. Directors Fees	0	0	0	0	0	0	0	0
19. Professional Services	0	0	146,478	146,478	0	146,478	4,242	150,720
20. Fees, Subscriptions & Promotion	0	0	9,526	9,526	0	9,526	1,778	11,304
21. Clerical & General Office	216,957	34,052	26,280	277,289	0	277,289	299,103	576,392
22. Employee Benefits & Payroll	0	0	641,942	641,942	0	641,942	12,818	654,760
23. Inservice Training & Education	0	0	1,357	1,357	0	1,357	0	1,357
24. Travel and Seminar	0	0	16,492	16,492	0	16,492	3,212	19,704
25. Other Admin. Staff Trans	0	0	1,877	1,877	0	1,877	11,369	13,246
26. Insurance-Prop.Liab.Malpractice	0	0	268,783	268,783	0	268,783	3,974	272,757
27. Other (specify)*	0	0	0	0	0	0	42,706	42,706
28. Total General Adminis	315,694	34,052	2,048,487	2,398,233	0	2,398,233	-459,778	1,938,455
29. Total General Administrative	4,559,384	618,615	3,586,188	8,764,187	0	8,764,187	-328,539	8,435,648
30. Depreciation	0	0	48,719	48,719	0	48,719	193,498	242,217
31. Amortization of Pre-Op. & Org.	0	0	0	0	0	0	0	0
32. Interest	0	0	29,941	29,941	0	29,941	352,509	382,450
33. Real Estate	0	0	0	0	0	0	99,452	99,452
34. Rent - Facility & Grounds	0	0	1,296,657	1,296,657	0	1,296,657	-1,293,207	3,450
35. Rent - Equipment & Vehicles	0	0	4,736	4,736	0	4,736	2,405	7,141
36. Other (specify):*	0	0	0	0	0	0	0	0
37. Total Ownership	0	0	1,380,053	1,380,053	0	1,380,053	-645,343	734,710
38. Medically Necessary T	0	0	0	0	0	0	0	0
39. Ancillary Service Cent	0	277,041	0	277,041	0	277,041	0	277,041
40. Barber and Beauty Shop	0	0	27,677	27,677	0	27,677	0	27,677
41. Coffee and Gift Shops	0	0	11,916	11,916	0	11,916	0	11,916
42. Provider Participation	0	0	116,616	116,616	0	116,616	0	116,616
43. Other (specify):*	0	0	199,708	199,708	0	199,708	-199,708	0
44. Total Special Cost Ce	0	277,041	355,917	632,958	0	632,958	-199,708	433,250
45. Grand Total	4,559,384	895,656	5,322,158	10,777,198	0	10,777,198	-1,173,590	9,603,608

	Operating	After Consolidation
General Service Cost Center		
1. Cash on hand and in banks	185,312	216,364
2. Cash - Patient Deposits	0	0
3. Accounts & Notes Receivable	1,374,236	1,374,236
4. Supply Inventory	0	0
5. Short-Term Investments	0	0
6. Prepaid Insurance	8,775	8,775
7. Other Prepaid Expenses	29,478	29,478
8. Accounts Receivable-Owner/Related Party	3,632	3,632
9. Other (specify):	0	61,689
10. Total current assets	1,601,433	1,694,174
LONG TERM ASSETS		
11. Long-Term Notes Receivable	0	0
12. Long-Term Investments	9,251	9,251
13. Land	0	511,025
14. Buildings, at Historical Cost	0	6,418,908
15. Leasehold Improvements, Historical Cost	374,341	633,479
16. Equipment, at Historical Cost	318,078	998,546
17. Accumulated Depreciation (book methods)	-254,349	-2,691,031
18. Deferred Charges	0	0
19. Organization & Pre-Operating Costs	0	0
20. Accum Amort - Org/Pre-Op Costs	0	0
21. Restricted Funds	0	0
22. Other Long-Term Assets (specify):	0	0
23. other (specify):	0	46,509
24. Total Long-Term Assets	447,321	5,926,687
25. Total Assets	2,048,754	7,620,861
CURRENT LIABILITIES		
26. Accounts Payable	369,561	369,561
27. Officer's Accounts Payable	0	0
28. Accounts Payable-Patients Deposits	0	0
29. Short-Term Notes Payable	2,362,782	2,362,782
30. Accrued Salaries Payable	116,554	116,554
31. Accrued Taxes Payable	85,931	85,931
32. Accrued Real Estate Taxes	0	116,400
33. Accrued Interest Payable	0	28,839
34. Deferred Compensation	0	0
35. Federal and State Income Taxes	0	0
36. Other Current Liabilities (specify):	1,585,611	138,754
37. Other Current Liabilities (specify):	0	0
38. Total Current Liabilities	4,520,439	3,218,821
LONG TERM LIABILITES		
39.Long-Term Notes Payable	0	0
40.Mortgage Payable	0	5,126,927
41.Bonds Payable	0	0
42.Deferred Compensation	0	0
43.Other Long-Term Liabilities (specify):	0	0
44.Other Long-Term Liabilities (specify):	0	0
45.Total Long-Term Liabilities	0	5,126,927
46.Total Liabilities	4,520,439	8,345,748
47.Total Equity	-2,471,685	-724,887
48.Total Liabilities and Equity	2,048,754	7,620,861

	Balance per Medicaid Trial Balance
1. Gross Revenue - All levels of Care	9,287,227
2. Discounts and Allowances for all Levels	-1,134,170
Subtotal - Inpatient Care	8,153,057
4. Day Care	0
5. Other Care for Outpatients	0
6. Therapy	1,315,766
7. Oxygen	0
Subtotal - Ancillary Revenue	1,315,766
9. Payments for Education	0
10. Other Governmental Grants	0
11. Nurses Aide Training Reimbursements	0
12. Gift and Coffee Shop	15,536
13. Barber and Beauty Care	32,126
14. Non-Patient Meals	489
15. Telephone, Television, and Radio	0
16. Rental of Facility Space	0
17. Sale of Drugs	523,713
18. Sale of Supplies to Non-Patients	0
19. Laboratory	25,644
20. Radiology and X-Ray	20,565
21. Other Medical Services	134,083
22. Laundry	6,215
Subtotal - Other Operating Revenue	758,371
24. Contributions	0
25. Interest and Other Investments Income	17
Subtotal - Non-Operating Revenue	17
27. Other Revenue (specify):	599
28. Other Revenue (specify):	0
Subtotal - Other Revenue	599
30. Total Revenue	10,227,810
31. General Services	1,420,644
32. Health Care	4,945,310
33. General Administration	2,398,233
34. Ownership	1,380,053
35. Special Cost Centers	516,342
35. Provider Participation Fee	116,616
37. Other	0
40. Total Expenses	10,777,198
41. Income Before Income Taxes	-549,388
42. Income Taxes	0
43. Net Income or Loss for the Year	-549,388

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LTC Median Per Diem Cost by HSA - 2005 Cost Reports
2005 (Run June 1, 2004)

UN-INFLATED

	Lexington of Lake Zurich	Lexington of Lake Zurich	2005 Census
Cost Report			2005 Census
<u>Line</u>	<u>Description</u>		61,678
1	Dietary		
2	Food Purchase		
3	Housekeeping		
4	Laundry		
5	Heat & Other Utilities		
6	Maintenance		
8	TOTAL GENERAL SERVICES		
10	Nursing & Medical Records		
10A	Therapy		
11	Activities		
12	Social Services		
16	TOTAL HEALTH CARE & PROGRAMS		
17	Administration		
19	Professional Services		
21	Clerical & Gen. Office Expense		
22	Employee Benefits & PR Taxes		
24	Travel & Seminar		
26	Insurance-Property, liability & Malpractice		
28	TOTAL GENERAL ADMINISTRATIVE		
29	TOTAL OPERATING EXPENSES		
30	Depreciation		
32	Interest		
33	Real Estate Taxes		
37	TOTAL OWNERSHIP		
	TOTAL OPERATING & OWNERSHIP COST		

Total staff hours including contract nurses per diem
Nursing hours including contract nurses per diem
RN
LPN
CNA
DON
ADON

[illegible]

Average Occupancy
Medicaid Utilization
Medicare Utilization

State-Wide	HSA	HSA	HSA	HSA	HSA	HSA	HSA	HSA	HSA	HSA	HSA
	1	2	3	4	5	6	7	8	9	10	11

LTC Median Per Diem Cost by HSA - 2004 Cost Reports
2004 (Run June 1, 2004)

Lexington
of Lake
Zurich
2004
Costs

Lexington
n of Lake
Zurich
2004
Census

Cost Report	
<u>Line</u>	<u>Description</u>
1	Dietary
2	Food Purchase
3	Housekeeping
4	Laundry
5	Heat & Other Utilities
6	Maintenance
7	TOTAL GENERAL SERVICES
8	Nursing & Medical Records
10	Therapy
10A	Activities
11	Social Services
16	TOTAL HEALTH CARE & PROGRAMS
17	Administration
19	Professional Services
21	Clerical & Gen. Office Expense
22	Employee Benefits & PR Taxes
24	Travel & Seminar
26	Insurance-Property, liability & Malpractice
28	TOTAL GENERAL ADMINISTRATIVE
29	TOTAL OPERATING EXPENSES
32	Depreciation
32	Interest
33	Real Estate Taxes
37	TOTAL OWNERSHIP
	TOTAL OPERATING & OWNERSHIP COST

IDPA LTC Profiles
LTC Median Per Diem Cost by HSA - 2003 Cost Reports
2003 (Run June 1, 2004)

UN-INFLATED

Lexington
of Lake
Zurich

Lexington
n of Lake
Zurich

2003
Census

2003 Costs

Cost Report Line	Description	State- Wide	HSA	HSA	HSA	HSA	HSA	HSA	HSA	HSA	HSA	HSA	10th %	90th %
1	Dietary	6.10	7.02	6.48	5.50	6.48	5.48	6.06	6.06	6.06	5.60	7.02	4.13	9.81
2	Food Purchase	4.31	4.47	4.40	4.27	4.40	3.99	4.31	4.31	4.31	4.28	4.47	3.36	6.04
3	Housekeeping	3.70	3.59	3.68	2.91	3.68	3.40	4.05	4.05	4.05	3.97	3.59	2.48	5.80
4	Laundry	1.85	2.23	1.90	1.79	1.90	2.10	1.59	1.59	1.59	1.69	2.23	0.91	3.14
5	Heat & Other Utilities	2.95	3.17	2.93	2.94	2.93	2.71	2.93	2.93	2.93	2.91	3.17	2.05	4.25
6	Maintenance	3.01	3.26	3.03	2.99	3.03	2.55	3.21	3.21	3.21	3.05	3.26	1.92	5.12
8	TOTAL GENERAL SERVICES	22.58	24.49	22.99	21.14	22.99	21.47	22.65	22.65	22.65	22.45	24.49	17.57	31.51
10	Nursing & Medical Records	41.83	42.52	43.12	38.37	43.12	33.78	45.12	45.12	45.12	47.22	42.52	27.25	64.47
10A	Therapy	2.10	1.86	2.69	3.34	2.69	3.47	1.45	1.45	1.45	2.41	1.86	-	10.55
11	Activities	1.91	2.18	1.92	1.61	1.92	1.48	2.16	2.16	2.16	2.05	2.18	1.06	3.45
12	Social Services	1.42	1.45	1.64	1.05	1.64	1.09	1.60	1.60	1.60	1.12	1.45	0.58	3.00
16	TOTAL HEALTH CARE & PROGRAMS	49.48	50.39	51.22	46.39	51.22	41.58	52.34	52.34	52.34	54.96	50.39	32.10	77.23
17	Administration	3.36	3.33	3.15	3.15	3.15	3.60	3.46	3.46	3.46	3.04	3.33	1.71	7.21
19	Professional Services	0.99	1.09	0.85	0.83	0.85	0.76	1.12	1.12	1.12	1.13	1.09	0.07	3.44
21	Clerical & Gen. Office Expense	4.79	4.32	4.97	3.98	4.97	3.46	5.56	5.56	5.56	5.04	4.32	2.49	10.78
22	Employee Benefits & PR Taxes	10.09	10.42	11.01	8.88	11.01	7.67	10.51	10.51	10.51	11.38	10.42	6.33	19.34
24	Travel & Seminar	0.08	0.10	0.13	0.10	0.13	0.13	0.06	0.06	0.06	0.05	0.10	-	0.43
26	Insurance-Property, liability & Malpractice	2.58	2.47	2.55	2.35	2.55	2.22	2.85	2.85	2.85	2.19	2.47	0.88	4.32
28	TOTAL GENERAL ADMINISTRATIVE	24.94	25.31	26.11	23.02	26.11	21.37	25.81	25.81	25.81	26.59	25.31	16.95	39.14
29	TOTAL OPERATING EXPENSES	98.06	100.77	100.03	92.47	100.03	88.05	100.96	100.96	100.96	103.01	100.77	69.40	142.56
30	Depreciation	3.70	3.82	4.08	3.29	4.08	2.54	4.11	4.11	4.11	3.54	3.82	1.01	8.43
32	Interest	2.54	2.81	1.96	2.09	1.96	1.41	4.05	4.05	4.05	2.63	2.81	-	11.53
33	Real Estate Taxes	1.38	0.92	1.08	0.82	1.08	0.80	3.20	3.20	3.20	1.36	0.92	-	4.85
37	TOTAL OWNERSHIP	11.11	9.73	9.80	8.00	9.80	7.04	14.54	14.54	14.54	11.02	9.73	3.76	23.58
	TOTAL OPERATING & OWNERSHIP COST	109.17	110.50	109.83	100.47	109.83	95.09	115.50	115.50	115.50	114.03	110.50	73.16	166.14

Cost Report Line	Description	10th %	90th %
1	Dietary	4.13	9.81
2	Food Purchase	3.36	6.04
3	Housekeeping	2.48	5.80
4	Laundry	0.91	3.14
5	Heat & Other Utilities	2.05	4.25
6	Maintenance	1.92	5.12
8	TOTAL GENERAL SERVICES	17.57	31.51
10	Nursing & Medical Records	27.25	64.47
10A	Therapy	-	10.55
11	Activities	1.06	3.45
12	Social Services	0.58	3.00
16	TOTAL HEALTH CARE & PROGRAMS	32.10	77.23
17	Administration	1.71	7.21
19	Professional Services	0.07	3.44
21	Clerical & Gen. Office Expense	2.49	10.78
22	Employee Benefits & PR Taxes	6.33	19.34
24	Travel & Seminar	-	0.43
26	Insurance-Property, liability & Malpractice	0.88	4.32
28	TOTAL GENERAL ADMINISTRATIVE	16.95	39.14
29	TOTAL OPERATING EXPENSES	69.40	142.56
30	Depreciation	1.01	8.43
32	Interest	-	11.53
33	Real Estate Taxes	-	4.85
37	TOTAL OWNERSHIP	3.76	23.58
	TOTAL OPERATING & OWNERSHIP COST	73.16	166.14

Average Wage Data Table

State- Wide	HSA	HSA	HSA	HSA	HSA	HSA	HSA	HSA	HSA	HSA	HSA
5.10	5.30	5.30	5.00	5.30	5.10	4.90	4.90	4.90	5.10	5.30	5.30
2.90	3.20	3.10	3.10	3.10	3.00	2.70	2.70	2.70	3.00	3.20	3.10
21.56	21.14	19.99	18.79	19.99	16.66	24.55	24.55	24.55	22.85	21.14	20.33
17.64	17.65	16.41	14.79	16.41	13.36	20.23	20.23	20.23	18.67	17.65	16.45
9.91	10.11	9.89	9.19	9.89	8.28	10.44	10.44	10.44	10.54	10.11	9.76
27.82	26.67	24.49	23.07	24.49	20.82	33.29	33.29	33.29	29.65	26.67	24.62
24.39	22.67	21.12	19.67	21.12	18.73	27.45	27.45	27.45	26.14	22.67	22.50

2003 - Staffing and Occupancy Data

State- Wide	HSA	HSA	HSA	HSA	HSA	HSA	HSA	HSA	HSA	HSA	HSA
80.80%	80.80%	80.60%	79.90%	80.60%	75.20%	82.00%	82.00%	82.00%	81.60%	80.80%	77.30%
64.80%	56.40%	57.70%	59.60%	57.70%	62.80%	70.00%	70.00%	70.00%	64.30%	56.40%	59.30%
8.50%	7.50%	7.50%	7.70%	7.50%	8.70%	9.10%	9.10%	9.10%	9.30%	7.50%	8.00%

IDPA LTC Profiles
LTC Median Per Diem Cost by HSA - 2002 Cost Reports
2002 (Run June 1, 2004)

UN-INFLATED

Cost Report	State- Wide	HSA	HSA	HSA	HSA	HSA	HSA	HSA	HSA	HSA	HSA	HSA	10th %	90th %
Line	Description	1	2	3	4	5	6	7	8	9	10	11		
1	Dietary	6.01	7.28	6.51	5.36	6.51	5.48	5.92	5.92	5.83	7.28	5.60	4.17	9.77
2	Food Purchase	4.27	4.52	4.40	4.15	4.40	3.99	4.31	4.31	4.31	4.11	4.52	3.29	5.90
3	Housekeeping	3.65	3.84	3.56	3.05	3.56	3.25	4.13	4.13	3.89	3.84	3.48	2.51	5.63
4	Laundry	1.90	2.15	2.01	1.72	2.01	2.09	1.67	1.67	1.58	2.15	2.23	1.10	3.13
5	Heat & Other Utilities	2.71	2.84	2.76	2.75	2.76	2.54	2.67	2.67	2.72	2.84	2.73	1.89	4.03
6	Maintenance	2.99	3.41	2.96	2.91	2.96	2.48	3.16	3.16	2.90	3.41	2.92	1.95	5.11
8	TOTAL GENERAL SERVICES	22.09	24.39	22.49	20.85	22.49	20.47	22.71	22.71	22.66	24.39	22.04	17.19	30.80
10	Nursing & Medical Records	40.68	42.79	42.10	37.44	42.10	33.35	43.96	43.96	43.84	42.79	41.16	26.11	62.04
10A	Therapy	1.85	1.90	2.38	2.86	2.38	1.81	1.54	1.54	3.02	1.90	2.27	-	10.03
11	Activities	1.88	2.12	1.89	1.50	1.89	1.37	2.23	2.23	2.10	2.12	1.60	1.13	3.39
12	Social Services	1.44	1.46	1.50	1.08	1.50	1.13	1.61	1.61	1.32	1.46	1.32	0.58	3.00
16	TOTAL HEALTH CARE & PROGRAMS	47.55	50.19	49.32	44.36	49.32	39.56	50.57	50.57	52.75	50.19	47.76	31.31	74.79
17	Administration	3.39	3.49	3.30	3.27	3.30	3.61	3.39	3.39	3.20	3.49	3.54	1.65	6.84
19	Professional Services	0.98	1.00	0.76	0.88	0.76	0.98	1.05	1.05	1.05	1.19	1.00	0.07	2.93
21	Clerical & Gen. Office Expense	4.58	4.07	4.40	3.67	4.40	3.47	5.75	5.75	4.19	4.07	4.31	2.36	10.72
22	Employee Benefits & PR Taxes	9.63	10.11	10.26	8.28	10.26	7.80	10.26	10.26	9.30	10.11	8.44	6.22	17.51
24	Travel & Seminar	0.09	0.12	0.10	0.09	0.10	0.16	0.06	0.06	0.03	0.12	0.09	-	0.37
26	Insurance-Property, liability & Malpractice	2.19	1.93	1.97	1.87	1.97	2.00	2.46	2.46	2.40	1.93	2.03	0.83	3.92
28	TOTAL GENERAL ADMINISTRATIVE	23.47	23.64	24.80	21.32	24.80	20.28	25.17	25.17	23.10	23.64	21.93	16.13	36.02
29	TOTAL OPERATING EXPENSES	94.39	99.26	97.46	85.50	97.46	82.47	99.35	99.35	97.86	99.26	91.33	67.15	138.58
30	Depreciation	3.53	3.13	3.86	3.26	3.86	2.41	4.18	4.18	3.94	3.13	3.04	0.73	8.09
32	Interest	2.73	2.84	2.05	2.60	2.05	1.55	4.55	4.55	2.14	2.84	1.54	-	12.86
33	Real Estate Taxes	1.30	0.77	0.88	0.93	0.88	0.72	3.17	3.17	1.29	0.77	1.03	-	5.05
37	TOTAL OWNERSHIP	11.44	9.19	9.85	8.76	9.85	6.52	15.35	15.35	11.40	9.19	10.00	3.55	24.50
	TOTAL OPERATING & OWNERSHIP COST	105.83	108.45	107.31	94.26	107.31	88.99	114.70	114.70	109.26	108.45	101.30	70.70	163.08

Cost Report	2002 Costs	2002 Census
Line	Description	
1	Dietary	
2	Food Purchase	
3	Housekeeping	
4	Laundry	
5	Heat & Other Utilities	
6	Maintenance	
8	TOTAL GENERAL SERVICES	
10	Nursing & Medical Records	
10A	Therapy	
11	Activities	
12	Social Services	
16	TOTAL HEALTH CARE & PROGRAMS	
17	Administration	
19	Professional Services	
21	Clerical & Gen. Office Expense	
22	Employee Benefits & PR Taxes	
24	Travel & Seminar	
26	Insurance-Property, liability & Malpractice	
28	TOTAL GENERAL ADMINISTRATIVE	
29	TOTAL OPERATING EXPENSES	
30	Depreciation	
32	Interest	
33	Real Estate Taxes	
37	TOTAL OWNERSHIP	
	TOTAL OPERATING & OWNERSHIP COST	

2002 - Average Wage Data Table

State- Wide	HSA	HSA	HSA	HSA	HSA	HSA	HSA	HSA	HSA	HSA	HSA
	1	2	3	4	5	6	7	8	9	10	11
Total staff hours including contract nursing per diem	5.20	5.50	5.40	5.00	5.40	5.10	5.00	5.00	4.90	5.50	5.30
Nursing hours including contract nurses per diem	2.80	3.10	3.10	3.00	3.10	2.90	2.60	2.60	2.60	3.10	3.00
RN	20.69	20.12	19.18	18.37	19.18	16.06	23.49	23.49	23.49	21.31	19.45
LPN	16.89	17.04	15.72	14.33	15.72	12.75	19.39	19.39	19.39	17.96	15.69
CNA	9.73	10.05	9.65	9.09	9.65	8.08	10.28	10.28	10.28	10.39	10.05
DON	26.38	24.75	22.98	22.48	22.98	20.02	31.78	31.78	31.78	28.56	23.68
ADON	23.27	21.44	20.51	18.93	20.51	17.26	26.34	26.34	26.34	24.33	21.27

2002 - Staffing and Occupancy Data

State- Wide	HSA	HSA	HSA	HSA	HSA	HSA	HSA	HSA	HSA	HSA	HSA
	1	2	3	4	5	6	7	8	9	10	11
Average Occupancy	80.90%	79.60%	81.90%	80.30%	81.90%	75.30%	82.20%	82.20%	82.20%	79.60%	76.60%
Medicaid Utilization	64.50%	55.50%	56.10%	58.50%	56.10%	63.30%	69.90%	69.90%	66.70%	55.50%	60.90%
Medicare Utilization	7.40%	6.80%	7.20%	6.10%	7.20%	7.40%	7.70%	7.70%	8.20%	6.80%	7.00%